

Lime Energy Co. Anticipates Setting Record Date for Rights Offering

ELK GROVE VILLAGE, Illinois, November [27], 2006 – Lime Energy Co. today announced that it anticipates setting a record date for its rights offering of December 6, 2006 and, if such date is set, the rights offering will remain open until 5:00 pm on Friday December 29, 2006, although the Company may, in its sole discretion, extend the time for exercise of the subscription rights.

The rights offering is being made to offer the Company's common stockholders an opportunity to purchase shares of its common stock at the same price per share paid by company management, members of the board of directors and former Series E Preferred Shareholders in the \$17.875 million raise completed last June, which proceeds were utilized to recapitalize the company's balance sheet and acquire Parke P.A.N.D.A. Corporation. Proceeds from the rights offering will be used for working capital and growth initiatives.

Only holders of record of the company's stock as of the close of business on the record date (expected to be December 6th, meaning that all prior trades must have settled by close of business on December 6th to be considered of record on the 6th) will be eligible to participate in the rights offering.

The Company will distribute, at no charge, to each record holder of its common stock five non-transferable subscription rights for each share of common stock owned on the record date. Each subscription right will allow the holder to purchase one share of the Company's common stock at a price of \$1.00 per share. Stockholders who elect to exercise their basic subscription privilege in full may also subscribe for additional shares of Lime Energy common stock at \$1.00 per share under their respective over-subscription privileges to the extent that other rights holders do not exercise their basic subscription privileges in full. Former holders of its Series E Preferred Stock and Daniel Parke have all waived their rights to receive subscription rights in the rights offering in order to maximize the number of shares available for purchase by other stockholders. The total number of shares available in the rights offering is expected to be 38,585,915.

Additional information regarding the rights offering will be mailed to stockholders on or about the record date, and is available in the Company's registration statement on Form S-1 filed with the Securities and Exchange Commission on November 20, 2006, which is available on the Company's website at www.lime-energy.com or on Edgar.

The Company has filed a registration statement covering these securities with the United States Securities and Exchange Commission, but the registration statement has not yet become effective. The securities described in this press release may not be sold nor may offers to buy be accepted prior to the time such registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such state or jurisdiction.

About Lime Energy Co.

Lime Energy Co. is a developer, manufacturer and integrator of energy savings technologies. Lime Energy is comprised of four integrated operating companies that bring their extensive experience and technologies together to provide customers with total energy solutions. Lime Energy is based in Elk Grove Village, Illinois and is traded on the OTC Bulletin Board under the symbol LMEC. Additional

information is available at the company's website at <http://www.lime-energy.com> or by calling 847-437-1666.

Lime Energy Investor Relations

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FORWARD-LOOKING STATEMENTS

This news release includes forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 including statements that reflect Lime Energy's current expectations about its future results, performance, prospects and opportunities. Lime Energy has tried to identify these forward-looking statements by using words and phrases such as "may," "expects," "anticipates," "believes," "intends," "estimates," "plans," "should," "typical," "preliminary," "hope," or similar expressions. These forward-looking statements are based on information currently available to Lime Energy and are subject to a number of risks, uncertainties and other factors that could cause Lime Energy's actual results, performance, prospects or opportunities in the remainder of 2006 and beyond to differ materially from those expressed in, or implied by, these forward-looking statements. These risks are referenced in Lime Energy's current Annual Report on form 10-K or as may be described from time to time in Lime Energy's subsequent SEC filings; and such factors as incorporated by reference.