

Former California Energy Commission Chairman Joseph F. Desmond joins Lime Energy's Board of Directors

ELK GROVE VILLAGE, Illinois, February 1, 2007 – Former California Energy Commission (CEC) Chairman Joseph F. Desmond has joined the Board of Directors of Lime Energy (OTCBB: LMEC), the nation's premier energy efficiency solutions and technology provider.

Desmond served in the Schwarzenegger administration from 2004 to 2006 as both CEC Chairman and Under Secretary for Energy Affairs in the California Resources Agency, advising the governor and directing the state's efforts on energy and environmental policy matters, including alternative and renewable energy. He was responsible for overall energy policy in the areas of electricity, natural gas and transportation fuels.

Desmond also played a significant role in the development of the state's greenhouse gas performance standards for energy procurement.

"We are delighted Joe is joining our Board of Directors at this exciting time in our company's history," said David Asplund, CEO of Lime Energy. "Joe's extensive experience in both the public and private sectors of the energy and energy efficiency market – along with his influence and strategic insight in the industry – will be of tremendous value to our Board and our shareholders."

"I am very excited to join the Board of Directors of Lime Energy and look forward to working with such a talented group of people," Desmond said. "The company's energy saving solutions offer customers opportunities to both save energy and earn high financial returns on invested capital."

"I am confident the company will be able to take advantage of the growing need of business owners to save money by reducing their energy costs while identifying the growing opportunities for rebates and tax incentives offered by utilities and state and federal agencies to assist customers in purchasing energy efficient solutions," Desmond added.

He said the net result of this public-private partnership will be to "reduce the strain on the electrical grid and help our country reduce harmful emissions from unnecessary electricity production at the same time."

After leaving public office in November 2006, Desmond became Senior Vice President, External Affairs for NorthernStar Natural Gas, a developer of liquefied natural gas import terminals, where Desmond is responsible for the company's government and public relations policies and initiatives. In addition, Desmond currently serves on the Advisory Board for Stanford University's Precourt Institute for Energy Efficiency.

Prior to his public service for the State of California, Desmond served as President and Chief Executive Officer of Infotility, Inc., an energy consulting and software development firm based in Boulder, Colorado. Previous positions included President and CEO of Electronic Lighting, Inc., a Newark, California, manufacturer of controllable lighting systems; Marketing and Demand Planning Administrator for Taunton Municipal Lighting Plant, a publicly owned utility in Massachusetts; Vice President of Parke Industries, a Glendora, California, energy services provider specializing in the design, engineering and installation of energy efficient lighting and HVAC upgrades for commercial and industrial users; Co-Chair of the Silicon Valley Manufacturing Group's Energy Committee; and Board Member of the National Association of Energy Service Companies (NAESCO). Desmond holds a bachelor's degree in business administration, with a concentration in marketing, finance and management, from Northeastern University.

About Lime Energy

Lime Energy, (“Less is More Efficient”) is one of the nation's leading energy efficiency technology and engineering companies. Lime bring together more than 75 years of experience in design, engineering and installation of energy efficient solutions providing customers with guaranteed saving results and high returns on invested capital. By efficiently reducing the amount of electricity Lime customers use, they are able to both save money and become better corporate citizens through the reduction of unnecessary greenhouse gas emissions (“Nothing Greener than Energy Not Used”). Lime Energy is headquartered in Elk Grove Village, Illinois with offices in New York, Texas, Utah, and throughout California. The company’s stock 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.

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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,” “plan,” “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 2007 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.