

Lime Energy Completes Energy Efficiency Project for all 132 Modell's Sporting Goods Stores

Energy Consumption Reduction of 17% Well Exceeds Original Estimates Saving Modell's an Estimated \$840,000 Annually and Conserving Enough Energy to Power 545 Homes a Year

ELK GROVE VILLAGE, Illinois, January 17, 2007 – Lime Energy's (OTCBB: LMEC) Maximum Performance Group (MPG), one of the nation's leading energy efficiency technology and engineering companies announced today that it has completed the installation of its eMAC (equipment monitor and control) technology on heating, ventilation and air conditioning (HVAC) systems at all 132 Modell's Sporting Goods stores. The chain wide installation included a total of 578 eMAC units totaling an energy reduction of approximately 7.4 million kilowatt hours per year, or an estimated 17 percent energy savings, well exceeding MPG's original energy saving projections by 7 percent.

Total dollars saved from the project is expected to exceed \$840,000 a year based on "energy cost avoidance" at an average price of electricity in the region of 12 cents per kilowatt hour, according to calculations by MPG. By using the eMAC technology and hence less produced electricity from local utilities, MPG estimates it removed 4,700 tons of carbon dioxide emissions – believed to contribute to global warming – from the air which is equivalent to permanently removing the emissions of 918 passenger cars from the road. The amount of electrical energy saved is enough to power 545 households for a year.

The project began as a test site utilizing the eMAC technology at a Philadelphia area store. Following significant electrical savings, Modell's extended the trial to another 10 locations which, once again, produced favorable results. The company then expanded its installation program to include 27 stores and 112 eMAC units as part of a project involving utility incentive funding from the New York State Energy Research and Development Authority (NYSERDA), a public benefit corporation created in 1975 by the New York Legislature. Last year the companies announced a full chain wide roll out of the technology.

"We've found the eMAC technology to be very helpful to us in our operations by reducing our electrical consumption, maintaining a very comfortable shopping environment, and helping us diagnose repairs while controlling those costs because of the sophistication of the equipment and the monitoring done by the MPG group," stated Dave Fletcher, Executive Vice President for Modell's. "The savings were so good we were able to internally justify the rate of return we need to make a mass purchase and thus, we approved installation of the system in all of our existing outlets as well as in all new construction."

"The Modell's story is an excellent case study of the across-the-board energy efficiency success stories that have been achieved by Lime Energy and its individual operating companies," stated Dan Parke, COO of Lime Energy. "While Lime Energy as a company still is relatively new, our predecessor company and the various operating companies under our umbrella have been providing successful solutions to our customers for more than two decades. We clearly have achieved numerous success stories through the years but the Modell's story is one of the best I've seen. We're pleased that we were able to accomplish these tremendous results and help Modell's save energy, preserve natural resources and realize significant savings in energy costs – throughout their entire retail chain."

The eMAC (equipment monitor and control) technology has been proven in a wide variety of industry applications from banks to electronics retailers to pet store chains. It enables companies to benefit from both energy savings and, if available, utility energy efficiency incentives by using the customer's existing heating, ventilation and air conditioning (HVAC) systems. The eMAC technology itself attaches to a company's HVAC unit and uses wireless control capabilities to access control software developed and operated by MPG.

About Modell's Sporting Goods

Modell's Sporting Goods is a sporting goods retailer with 132 locations in 11 states and the District of Columbia in the northeastern United States from Virginia to New Hampshire. The 117-year-old family-owned company is headed by Mitchell Modell, the company's chief executive officer and the fourth generation in the family to head company operations. The company offers a large collection of products from top name brands in the sporting goods, athletic footwear, sports apparel and licensed apparel business. The chain was started by Morris A. Modell in 1889 in New York City, making it the oldest family-owned sporting goods retailer in the eastern United States.

About Maximum Performance Group

MPG is a technology based energy and asset management provider using web-based software and enabling hardware to assure optimal performance of its customers' energy consuming assets. The company maintains offices in New York and San Diego.

About Lime Energy

Lime Energy, the nation's premier energy efficiency solutions and technology provider ("Less is More Efficient"), 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.

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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.