

Lime Energy and Associated Food Stores Partner to Help Environment

Wholesale Distributor now Saving over \$300,000 Annually from Reduced Operating Costs and Reducing Polluting Emissions by Millions of Pounds

ELK GROVE VILLAGE, IL (July 30, 2007) – Lime Energy (OTCBB: LMEC) announced the completion of a major interior, energy-efficient lighting system upgrade for Associated Food Stores' (AFS) distribution center in Farr West, Utah. The project, valued to Lime at approximately \$725,000, will save AFS approximately \$310,000 annually in energy savings alone.

“This project is expected to reduce energy consumption by an estimated 4,738,000 kilowatt hours per year and has reduced the facilities peak demand by 544.4 kW,” commented Reid Cram, project lead for Lime Energy. “The negotiated and secured incentive from Rocky Mountain Power for this project reduced upfront capital requirements, lowering the pay back period for the investment to one year. This payback period can be further reduced as the project qualifies for significant federal tax credits under the Energy Policy Act of 2005.”

Mr. Cram continued saying, “In addition to hard dollar savings, this project’s permanent reduction of energy provides Utah and the rest of the country with the following estimated annual environmental benefits by the elimination of:

- 10, 205,652 lbs of Carbon Dioxide
 - the leading cause of **Global Warming**
- 23,614 lbs of Sulfur Dioxide
 - the leading cause of **Acid Rain**
- 26,258 lbs of Nitric Oxides
 - the leading cause of **Smog and Acid Precipitation**

From start to finish, Lime Energy designed and adapted the project, selected and purchased new energy-efficient equipment, performed the installation, and negotiated and secured cash utility incentives on behalf of AFS. The project included the replacement of almost 2000 existing 400w and 1000w metal halide light fixtures with a lesser number of linear high-bay fixtures using T5HO lamps and ballasts. Other technologies included in the project were LED emergency lighting, occupancy controls, low-temperature fixtures for operation in the sub-zero freezer spaces, and a custom-designed, battery-backup system installed in the new overhead lighting system. Each light fixture was relocated to optimize its efficiency, which resulted in the reduction of the number of light fixtures in the facility by approximately 9 percent, thereby generating more energy and maintenance savings. Although the electrical consumption of the lighting system was decreased by well over 50 percent, light levels actually increased by 10-50 percent.

As a result, the productivity and accuracy of AFS’s 800 warehouse personnel, including loaders and pickers will be improved due to the increased ambient light levels and better quality of light produced by the new lighting system. Implementation of the project was completed in less than 90 days, with Lime Energy’s crews working around the clock to accommodate the client’s 24/7/365 operating schedule. Special equipment, tools and safety procedures were utilized by Lime Energy’s installation team while performing lighting upgrades in AFS’s 165,000 square-foot deep freeze space, where temperatures average -18 degrees.

“Lime Energy did an excellent job of guiding us through the evaluation and justification process for our T-5 lighting retrofit project,” said Craig McPhee, Farr West Retail Support Center general manager. “Lime educated our staff on the positive benefits of the project from a lighting, energy, and monetary standpoint and were instrumental in leading the process to secure the efficiency incentives available from Rocky Mountain Power. Lime Energy was also very cooperative and responsive to our needs throughout the entire project and maintained a high-level of workmanship during the retrofit and installation process. The cooperation between the installation contractors and the AFS team was

outstanding. Their installers worked around AFS production demands working off hours and days to create mutually beneficial use of time.”

McPhee continued, “With the project just recently completed, we are already seeing our anticipated returns with improved lighting levels in our production and administrative areas, as well as reduced power consumption and the corresponding savings. We look forward to more opportunities to work with Lime Energy to improve our energy efficiency and lighting levels across other corporate facilities.”

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About Associated Foods

Associated Food Stores is an independent retailer-owned warehouse based in Salt Lake City, Utah, which provides complete warehouse facilities and services to nearly 500 grocers throughout the Intermountain West. Associated can be found on the Internet at www.afstores.com.

About Lime Energy

Lime Energy is one of the nation's leading energy-efficiency technology and engineering companies. Lime brings 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. 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 www.lime-energy.com or by calling 847-437-1666.

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.

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