

Lime Energy and Associated Food Stores Announce Partnership

Associated Food Stores selects Lime Energy as their preferred energy efficiency solutions provider

Elk Grove Village, Illinois, September 17, 2008 – Lime Energy (NASDAQ: LIME) and Associated Food Stores (AFS) today announced they have expanded their partnership in efforts to assist the grocery wholesaler in further “greening” their locations. After a careful review of the competitive landscape and the successful completion last year by Lime Energy of an energy efficient upgrade to their distribution center in Farr West, UT, AFS has selected Lime Energy as the preferred provider to perform energy-efficiency audits at their member locations. In addition, Lime Energy has announced that they have been awarded a contract to perform energy-efficiency lighting upgrades at five additional AFS corporate-owned locations throughout Utah which are all expected to be completed by year end.

Lime Energy and AFS are both energized and optimistic about this new partnership. "Associated Food Stores has begun working on it's sustainability efforts, and our team knew we would need a partner that could help us identify ways our retailers could become more energy efficient. Lime Energy was eager to work with our entire membership of over 450 retail locations. Lime can tailor their solutions to both large and small retail locations, making them an ideal partner," said Rich Parkinson, CEO for AFS.

The lighting upgrades at two Dan's and three Macey's locations are estimated to save AFS 1,725,654 kilowatt-hours (kWh) and cut electricity bills by over \$83,000 per year. Lime Energy will also assist AFS in securing an estimated \$124,000+ in utility incentives to help fund the projects. The improved lighting fixtures will provide 30% more light output and a more uniform lighting level throughout the stores. In addition to the hard dollar savings, the permanent reduction of 1,725,654 kWh per year in energy use provides the following environmental benefits each year:

- 3,106,177 pounds of Carbon Dioxide
 - the leading cause of **Global Warming**
- 39,444 pounds of sulfur dioxide
 - the leading cause of **Acid Rain**
- 13,274 pounds of nitric dioxide
 - The leading cause of **Smog and Acid Precipitation**
- 209 passenger **cars removed** from the road each year.

Dan Parke, COO of Lime Energy said, “It is an honor for us to be selected as a preferred partner to help Associated Foods and their entire 450 store membership save energy and show real progress toward better sustainability. Companies like AFS are realizing that

improving energy efficiency is not only good for their bottom line, but also improves relations with their customers during this time when everyone is aware of high fuel prices and energy security.” “Our local office is located minutes away from AFS headquarters in Salt Lake City and we are here for AFS and ready to support them at all levels,” added Mark Cram, Rocky Mountain Area Manager for Lime Energy.

"Lime not only offers energy engineering consulting services, they were also able to take complete responsibility for the projects which ensures that all new equipment is installed properly so that our retailers can get maximum energy efficiency. The Lime team effectively works with the local utility companies to makes sure the stores receive all the incentives and rates they should be getting," stated Jerry Dewey, AFS Government Relations.

Jonathan Badger, Lee's COO commented, "We are excited to be working with Lime Energy. They bring a wealth of expertise that none of their competitors have and the ability to see a job through from beginning to end."

About Associated Food Stores

Associated Food Stores is an independent retailer-owned warehouse based in Salt Lake City, Utah, which provides complete warehouse facilities and services to over 450 grocers in eight western states. AFS is a privately held company. To learn more about the company or its sustainability efforts, please visit www.afstores.com.

About Lime Energy Co.

Lime Energy is a leading provider of energy efficiency solutions that enable our clients to reduce their energy-related expenditures and the impact of their energy use on the environment. Our clients include commercial and industrial businesses, property owners and managers and energy service companies serving government and educational institutions. Our core Energy Efficiency Services business provides energy engineering and consulting services as well as the development and implementation of energy efficiency lighting upgrade services, mechanical and electrical conservation services, water conservation services and renewable energy solutions. Through our Energy Technology business, we also offer a proprietary line of intelligent controllers that provide continuous management of HVAC and lighting equipment using wireless communication technology in order to reduce energy usage and improve system reliability. The company's stock is traded on NASDAQ under the symbol LIME. 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 2008 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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