

**A Focus of Developing and Expanding their Utility Partnerships Throughout the United States, Winning in the Federal Space and Accelerating their Product Development Activity has Allowed Lime Energy Co. to Capitalize on Emerging Industry Trends and Drive Profitability**

**Services**  
**Clean Energy**  
**Energy Efficiency Services**  
**(LIME-NASDAQ)**

**Lime Energy Co.**

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**John E. O'Rourke**  
**President, CEO and Director**

**BIO:**

John E. O'Rourke is President, Chief Executive Officer, Director of Lime Energy Co. He was appointed as Director of the Company on July 28, 2011 and was recently promoted to President and CEO of Lime Energy after serving as COO since 2009. He has 25 years of diverse industry experience, which has helped guide Lime through tremendous revenue

growth and is heading the company towards profitability.

His experience includes executive leadership roles in several of the energy services industry's firms. Prior to joining Lime, Mr. O'Rourke was President and CEO of Applied Energy Management (AEM), an energy services firm with a 20-year track record. During his five years at the helm of AEM, he navigated the company through dramatic organic growth and a series of strategic acquisitions culminating in the merger of AEM and Lime Energy.

Previously, Mr. O'Rourke developed and managed the engineering and operations platform for DukeSolutions, a Duke Energy unregulated subsidiary company. In this role, he helped lead DukeSolutions to become one of the nation's Energy Services Company prior to their acquisition by Ameresco.

Mr. O'Rourke currently serves on the Board of the National Association of Energy Services Companies (NAESCO) and is active in the industry as an advocate for energy efficiency and renewable energy.

**Company Profile:**

Lime Energy is building a clean energy future. As one of the nation's leading providers of clean energy solutions, Lime brings over 20 years of delivering economically viable efficiency and renewable energy solutions that benefit communities and protect the environment. Lime's platform includes the energy industry's most experienced professionals and

an expansive geographic footprint with over 350 employees at 18 locations in North America. Lime Energy's services include integrated energy engineering, consulting and the implementation of solutions that enable customers to reduce their facility's energy consumption, lower their operating and maintenance costs and reduce their carbon footprint. The company's stock is traded on NASDAQ under the symbol LIME.

**Interview conducted by:**  
**Lynn Fosse, Senior Editor**  
**CEOCFO Magazine**

**CEOCFO:** Mr. O'Rourke, you have been CEO for about a year and were COO before that; how, if in any way is Lime Energy changing under your leadership?

**Mr. O'Rourke:** Our vision and purpose has always been to build a clean energy future and that remains unchanged whether I am COO or CEO. As a leader in the company today, my responsibility is to execute our three-year strategic plan laid out in 2010 by the executive team and approved by our board.

**CEOCFO:** What is the Lime Energy strategic plan?

**Mr. O'Rourke:** Our strategic plan, at least in the near term, is to continue to drive profitability for a company that has been unprofitable until now. We intend to increase our profitability and revenue by focusing sharply on continuing to develop and expand our utility partnerships throughout the country, increasing our market share in the federal space and accelerating our product development activity.

This will allow us to capitalize on the different emerging industry trends that are happening out there.

**CEOCFO:** Would you tell us about the Lime Energy Clean Power Solutions, and how that is a growing area for you?

**Mr. O'Rourke:** The economic value of energy consumption today is really increasing. Businesses are looking for ways to leverage their energy while driving more efficiency and margins to their bottom line. More and more of our customers are seeking value and integrating energy efficiency with demand response, coupled with replacing aging energy infrastructure that they have. Through our clean power solutions, we are actively working with those customers to enable them to take advantage of the link between efficiency and demand response, and at the end of the day to produce a tangible return on any investments that they make in their internal power consumption.

**CEOCFO:** Would you give us an example of the services you provide and how do you reach your customer?

**Mr. O'Rourke:** Lime has three distinct market segments. We partner with utilities to implement direct install programs in hard to reach markets, such as small business and midmarket. Utilities that are driving to meet their energy efficiency resource standard (EERS) goals will contract with Lime Energy to go out and acquire the energy efficiency generation from a specific territory. For example, at National Grid, located in the Northeast, we have 55,000 megawatt hours that we deliver on an annual basis. We do that by going into the territory, doing all of the market research, segmenting the different customers, and then deploying the efficiency technology which in most cases is lighting, HVAC and controls. Specifically, for small commercial and industrial customers, we implement the technology, report the savings and then move on. For our private sector and institutional customers, which spans everything from commercial real estate buildings, banks, hospitals, and universi-

ties - we focus on both regional businesses and strategic accounts that are multiple facilities. In the federal business, we have for example, our USPS contract, which has a very wide group of facilities owned and operated across the country by US Postal Service. We also do a lot of work for US military and government entities and work closely with ESCO's, which are Energy Service Companies such as Johnson Controls, Honeywell and Siemens, as they look to implement energy efficiency reduction at those different facilities.

**CEOCFO:** Lime Energy will go really almost anywhere and any place!

**Mr. O'Rourke:** We are very broad based. In fact, we have been incredibly patient over the last three years. The clean energy sector really picked up some steam especially in the investment community back in 2007.

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**- John E. O'Rourke**

We are not focused on one technology, we are not focused on one solution, and we are not focused on one geography. We have spent our time building out a platform and building out the intellectual capital in those markets where we think that there is an existing regulatory framework or an emerging regulatory framework. Lime Energy is looking to brand itself in those areas or in those states where we think that there is a lot of future business.

**CEOCFO:** What is the competitive landscape for Lime Energy?

**Mr. O'Rourke:** You have the big players, the Controls companies that presently have a piece of it, but they are not a pure play. It is an add-on product and solution to a traditional Building Controls business. They are very good companies, but tend to move very slowly. Then you have Ameresco, which is probably the next

big pure play efficiency company and after that you have Lime Energy. Outside of the Controls Companies, Ameresco and Lime Energy, you have a lot of small regional, either product or technology specialists, implementation specialists or sales specialists in those different regions. Quite honestly, in many cases they do not have the capital. They can move the needle to a certain point, but they do not have the adequate capital to really make an impact in the regions where we think there is going to be strong growth.

**CEOCFO:** Do your potential customers know about Lime Energy?

**Mr. O'Rourke:** Yes. The companies we have acquired over the last 5 years have brought decades of customers that trust the people and the energy solutions they have delivered - it is always about the people and the confidence our customers have. Lime's brand is connected with these talented folks that are passionate about making clean energy a reality,

**CEOCFO:** How do you reach out to potential customers or are they coming to you?

**Mr. O'Rourke:** In our utility market, we are very active and investing in a business development team to support the demand we are seeing. When we went out and won a contract with National Grid back in 2008, we just completely outperformed any expectations that they had set for us. There is no better marketing tool than to be out there doing a great job at a great price point and being on time and on budget. We have managed to do that there. Once we up and running for a year in 2010, we started to make an investment in putting some fairly senior utility business developers out there on the west coast and east coast to go out and tell the success story of National Grid. Since then, we have won three other contracts and we are lining up quite a few on the pipeline that we expect to come to fruition this year. So that is our utility business, which is really targeted at those small businesses that are hard-to-reach customers that

can really benefit from energy cost reduction. In addition, the utility obviously gets tremendous benefits from us going out and being able to reach those customers where traditional energy cost reduction has not been done in the past, because it has not been cost effective.

In our federal business, we have a couple of very large contracts. We have a considerable large renewal and repair contract with the Army Corp of Engineers. We have a business developer in the federal market sector that works with consultants that we have retained in Washington that keep us constantly appraised of the different opportunities that are coming up with different agencies all over the country.

Lastly, we have a very interesting stake in our asset development business, which we started in the beginning of 2010. That business unit went out and purchased the gas rights to a landfill in Punta Gourda, Florida, and over the course of a nine-month period, we were able to acquire the gas rights, secure a 20-year power purchase agreement with a local utility and develop the landfill into a methane gas to energy facility. I am happy to say that it is up and running and meeting all of our production expectations today. We made this investment in order to get a successful project out there and we were actually just in Washington to receive an award from the US Environmental Protection Agency's as a LMOP Project of the Year. Again, there is no better marketing that you can have than to go out and do something, perform well, and meet all expectations.

**CEOCFO:** Would you tell us about sOcket?

**Mr. O'Rourke:** This developed late last year. Our vice president of marketing is a guy who played soccer in college. In fact, we have quite a few college soccer players that work for Lime Energy. We entered into a partnership with Uncharted Play, who are the creators of the sOcket, which is a portable source of energy for resource-poor communities, particularly in the very poor parts of the world. It is the world's first soccer ball that har-

nesses kinetic energy that is created while the children are playing and then stores it for later use. So, if you have a child that is living in a camp that is out playing on a dirt patch for three hours, they can come in and plug in a light into the soccer ball and it will power the light for three hours. In places where there is not a lot of available electricity, it is just a wonderful concept that we wanted to support. We wanted to use our platform to get that message out.

**CEOCFO:** How does Lime Energy keep up with the ever-changing technologies?

**Mr. O'Rourke:** We have a very solid engineering and product development group inside Lime Energy, and during the course of either developing projects for ESCOs, utilities, or out there developing different asset plays, we just by virtue of being in this space tend to encounter all of the latest technologies that are out there. We do not have a dedicated division that sets up and researches the latest and greatest technologies. What we find is because we have a platform of sales, development and execution, people who have a technology or are in the clean energy sector tend to gravitate to Lime much quicker than we could ever do the research and get there. Having said that, we are pretty affirmative about what technologies we will deploy. In other words, we would not be deploying technologies that were not a commercial operation or were not tried, true and tested for at least for three years. This is because in most cases Lime Energy is the conduit to the customer for a lot of green technologies and it is the Lime brand that ultimately would get hurt if we were to not pay attention and not be conservative in deploying technologies.

**CEOCFO:** What is the financial picture for Lime Energy today?

**Mr. O'Rourke:** Our financial outlook is very strong right now. We anticipate being profitable in 2012, and at the end of the last quarter we reported a backlog of \$226 million, of which \$80 million will convert to revenue in 2012, so we are anticipating continued strong year-over-year growth for

the next few years organically without any acquisitions.

**CEOCFO:** Are acquisitions part of the strategy for Lime going forward?

**Mr. O'Rourke:** Acquisitions are always a part of the strategy. There is a very interesting opportunity out there now, at least from an investor standpoint, in the clean energy sector. A lot of the companies that were taken out into the market in 2007 are now turning profitable at the same time that their stocks are really beaten down. Therefore, I just see a fantastic opportunity here from an investor's perspective, but also for companies that have been conservative in their approach and not going through their cash. They are now sitting at a place where some strategic acquisitions are very doable at the stock price point.

**CEOCFO:** Do you do any investor outreach?

**Mr. O'Rourke:** Yes we do. We are very active. I will be out at six to eight conferences this year. I am in New York at present and doing one on one investor calls and presentations. We have a fairly robust IR group that is constantly updating investment presentations, updating where we are and what our view is. That goes out once a month to over 100 different investors across the country and in Europe.

**CEOCFO:** Why should potential investors pay attention to Lime Energy?

**Mr. O'Rourke:** Lime has built a platform that at present has tremendous reach for getting all of the different technologies into facilities. The investment opportunity that is now evolving is really the turn to profitability by emerging clean energy companies, whose stocks are currently down. Our success in the utility space, our strong background and mature platform and the diversity across our platform has positioned Lime to capture a strong share of the refocusing energy market as it continues to evolve. In fact, two weeks ago one of the leading analyst blogs, Seeking Alpha, pointed out that with the combination of an attractive price and the publicity that we got from launching our sOcket partnership, it is no wonder that Lime Energy has

topped many Green Investment “Buy” lists for 2012.

**CEOCFO:** Final thoughts; what

should people remember most about Lime Energy?

**Mr. O’Rourke:** People should remember that Lime Energy is a company that is doing great work, has

been patient and are currently profitable in the clean energy sector. We are a wonderful investment in this stage of our evolution.

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