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**Energy Focus, Inc. Repositions the Company
as a Full-Service Lighting Energy Solutions Provider**

SOLON, OH, August 4, 2008—Energy Focus, Inc. (Nasdaq: EFOI) today announced a corporate reorganization to reposition Energy Focus, Inc. as a turnkey lighting energy solutions provider. The reorganization will capitalize on the growing demand for lighting and energy services in the commercial buildings marketplace.

“At Energy Focus, we are committed to creating shareholder value by leveraging our unique technology and expertise to aggressively address opportunities in the global lighting market,” said Joe Kaveski, CEO of Energy Focus, Inc. “Reorganizing the Company will positively position Energy Focus as a ‘turnkey’ or full service lighting energy solutions provider. As a result, Energy Focus will be more nimble and responsive to the full range of market opportunities, more aggressive in sales and marketing, and more proactive in addressing varying customer needs. Our new initiative builds on the Company’s expertise and experience in offering solutions to the new construction, existing buildings and retail distribution channels. In effect, Energy Focus now offers ‘green’ solutions that provide tremendous economic and environmental impact.”

Mr. Kaveski added, “We are excited by the changes taking place at Energy Focus and look forward to further enhancing our value, both to our shareholders and to our customers.”

Key attributes of the reorganization include restructuring of the Company’s resources to streamline operations; decreasing general & administrative costs; reducing product costs and enhancing cash management; and reallocating resources to emphasize marketing and sales of the Company’s lighting energy solutions.

In order to enhance shareholder value through aggressive growth, Energy Focus’s Board of Directors approved a new Strategic Plan that positions Energy Focus to become a leading provider of advanced lighting energy solutions. Highlights of the plan include the following:

- The Company is now offering turnkey lighting energy solutions to serve customers’ entire lighting needs. These solutions include comprehensive energy assessments, an array of energy efficient lighting products led by our unique

- EFO® lighting solutions, third party financing, design & engineering services, and installation and on-going service.
- In addition to serving the commercial new construction channel in which Energy Focus has achieved success with companies such as Whole Foods Markets and W Hotels, the Company is emphasizing sales to the existing buildings channel. The existing building channel is estimated to be more than ten times larger in potential opportunity than the new construction channel
 - The Company has established a worldwide product management team to globalize existing technologies while creating new solutions for customers within the Company's targeted vertical markets. These solutions include the integration of LEDs into existing and new EFO® product lines to create superior customer solutions.

About Energy Focus

Energy Focus, Inc. is the leading supplier of energy solutions and the world's only supplier of EFO®, a lighting technology that is more efficient than conventional electric lamps. Energy Focus products are designed, manufactured and marketed for the commercial lighting, sign and swimming pool, and spa markets. Energy Focus solutions provides energy savings, aesthetic, safety and maintenance cost benefits over conventional lighting. Customers include supermarket chains, retail stores, museums, theme parks and casinos, hotels, swimming pool builders, spa manufacturers and many others. Company headquarters are located at 32000 Aurora Rd., Solon, OH 44139. The company has additional offices in Pleasanton, CA, United Kingdom and Germany. For more information, see <http://www.energyfocusinc.com>.

Forward-looking statements in this release are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include statements regarding the business outlook for 2008 and thereafter the potential growth of EFO sales based upon its energy savings over conventional lighting. Investors are cautioned that all forward-looking statements involve risks and uncertainties. Actual results may differ materially from the results predicted. Risk factors that could affect the Company's future include, but are not limited to, a slowing of the U.S. and world economy and its effects on Energy Focus' markets, failure to develop marketable products from new technologies, failure of EFO or other new products to meet performance expectations, higher than anticipated expenses, unanticipated costs of integrating acquisitions into the Energy Focus operation, delays in manufacturing of products, increased competition, other adverse sales and distribution factors and greater than anticipated costs and/or warranty expenses. For more information about potential factors that could affect Energy Focus financial results, please refer to the Company's SEC reports, including its Annual Reports on Form 10-K and its quarterly reports on Form 10-Q. These forward-looking statements speak only as of the date hereof. Energy Focus disclaims any intention or obligation to update or revise any forward-looking statements.