Consolidated Water Co. Ltd. Receives Notice of Government Intent To Modify Water Production and Supply License

GEORGETOWN, Cayman Islands, B.W.I., May 10, 2002 /PRNewswire-FirstCall/ -- Consolidated Water Co. Ltd. (Nasdaq: CWCO), which develops and operates seawater conversion plants and water distribution systems in areas where natural supplies of drinking (i.e., potable) water are scarce, today announced that it has received notification from the Government of the Cayman Islands that the Government intends to eliminate a provision in the Company's water production and supply license that requires the Company to obtain approval from the Government for an issuance or transfer of shares which exceeds 5% of the issued shares of the Company or would result in any shareholder owning more than 5% of the issued share capital of the Company. The Company expects the formal license amendment to be executed in the near future.

"I am grateful that the Government has agreed to eliminate these restrictions from Consolidated's water production and supply license, which was granted to us prior to the date that our Company's ordinary shares were publicly traded in the United States," commented Jeffrey Parker, Chairman and Chief Executive Officer of Consolidated Water Co. Ltd. "Quite apart from the obvious benefits of the elimination of these provisions, as a publicly traded company a significant percentage of our Company's ordinary shares are registered in the name of Cede and Co., the nominee for the Depository Trust Company, which is a clearing agency for shares held by participating banks and brokers. Because Cede and Co. and the Depository Trust Company act solely as the nominees for banks and brokers and have no beneficial ownership in the ordinary shares of our Company, the Government has taken a pragmatic business decision in recognizing that the prohibition in our license was never intended to prohibit our ordinary shares from being owned of record by Cede and Co."

Consolidated Water Co. Ltd. is engaged in the development and operation of seawater conversion plants and water distribution systems in areas of the world where naturally occurring supplies of potable water are scarce or nonexistent. It currently operates a public water utility in certain areas of the Cayman Islands under a 20-year exclusive license from the Government of the Cayman Islands. The Company also operates reverse osmosis seawater conversion facilities on Ambergris Caye off the mainland of Belize, and in the Commonwealth of the Bahamas.

The common stock of Consolidated Water Co. Ltd. is traded on the Nasdaq National Market under the symbol "CWCO".

This press release includes statements that may constitute "forward- looking" statements, usually containing the words "believe," "estimate," "project," "intend," "expect" or similar expressions. These statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. A factor that would cause or contribute to such differences would be a decision by the Cayman Islands government not to modify the Company's water and supply license as stated in this release. In making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release.

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