Consolidated Water Co. Ltd to Purchase Hyatt Hotel Water Desalination Facilities on Grand Cayman Island

GEORGE TOWN, Cayman Islands, B.W.I., Dec. 19 /PRNewswire/ -- 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 agreed to purchase the seawater desalination production, distribution and storage facilities that currently supply the Hyatt Hotel and golf course on Grand Cayman Island. The facilities were constructed by Hyatt before a change in Cayman law that prevents individual hotel properties from constructing their own water production plants in Consolidated Water Co.'s exclusive license area.

The Company will purchase the feed wells, a 430,000 (US) gallon-per-day (gpd) reverse osmosis water desalination plant, an 840,000 (US) gallon storage facility, discharge wells, and distribution facilities for approximately $1.5 million (US). The purchase will be financed via Consolidated Water Co.'s existing credit lines with the Royal Bank of Canada. In addition, Consolidated will lease the land on which these facilities are located for an initial term of 25 years. The Hyatt will enter into a 25-year "take or pay" water purchase agreement with Consolidated for the delivery of a minimum of 170,000 (US) gpd to supply the hotel and golf course. Consolidated will also begin supplying water to the homes and condominiums in the Britannia Development, which is adjacent to the Hyatt Hotel and golf course facilities.

"This purchase will increase our water production, distribution and storage capacity on Grand Cayman and should allow us to better manage the efficiencies of our three water desalination plants on the island in accordance with fluctuations in seasonal demand," commented Jeffrey M. Parker, Chairman and Chief Executive Officer of Consolidated Water Co. Ltd. "In addition, because the Hyatt facilities are located nearer the southern end of our distribution system on Grand Cayman, they will provide storage and pressurization that should defer the need for distribution pipeline upgrades for the foreseeable future. We expect our purchase of the Hyatt facilities to be accretive to earnings immediately and in future years. For the year 2002, the acquisition should positively impact earnings by at least seven cents per diluted share."

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. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company's products and services in the marketplace, changes in its relationship with the Governments of the jurisdictions in which it operates, the ability to successfully secure contracts for water projects in other countries, the ability to develop and operate such projects profitably, and other risks detailed in the Company's periodic report filings with the Securities and Exchange Commission. By 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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