Consolidated Water Subsidiary Issues Bonds To Finance Water Desalination Facilities In Bahamas

B$10 Million Bonds Sold Exclusively To Citizens And Permanent Resident Investors In The Bahamas

GEORGE TOWN, Grand Cayman, Cayman Islands (July 8,2005) -- Consolidated Water Co. Ltd. ("Consolidated") (NASDAQ National Market: "CWCO"), which develops and operates reverse osmosis seawater conversion plants and water distribution systems in areas where natural supplies of drinking (i.e., potable) water are scarce or nonexistent, today announced that its Waterfields Company Limited subsidiary ("Waterfields") has completed the sale of B$10 million (Bahamian dollars) in Series A bonds to Bahamian citizens and permanent resident investors.

The bonds, which mature on June 30, 2015 and accrue interest at an annual fixed rate of 7.5%, will finance a portion of the construction of the new seawater desalination plant (the "Blue Hills Plant") and the expansion of Consolidated's existing seawater desalination plant (the "Windsor Plant") on the Island of New Providence. Consolidated has an option to redeem the bonds in whole or in part without penalty after June 30, 2008.

As previously announced, on February 16, 2005, the Government of the Commonwealth of the Bahamas accepted the bid of Consolidated and Waterfields to build and operate the Blue Hills Plant.

In order to induce investors to purchase Bahamian dollar denominated bonds, Consolidated, the majority owner of Waterfields, issued a Guarantee of Waterfields' obligations to pay all principal and accrued interest to the bondholders.

"While the guarantee is a general unsecured obligation of Consolidated, the transaction affords us the opportunity to finance in the local currency, thereby matching our obligation to the currency of our future income stream and avoiding any future currency conversion expense that may have resulted if financing was denominated in US dollars," noted Joe Pivinski, Chief Financial Officer of Consolidated. "Also, we have eliminated the risk of exchange loss in the unlikely event of a change in the Bahamian dollar's fixed parity with the US dollar."

Consolidated has made application to the Bahamas International Securities Exchange ("BISX") to have the bonds become the first to be listed on the exchange.

Further information on the issuance of the bonds and the Guarantee is available on a Form 8-K filed by Consolidated with the Securities and Exchange Commission on July 7, 2005.

Consolidated Water Co. Ltd. is engaged in the development and operation of seawater conversion plants and/or water distribution systems in areas of the world where naturally occurring supplies of potable water are scarce or nonexistent. Consolidated currently operates water production and/or distribution facilities in the Cayman Islands, the British Virgin Islands, Barbados, Belize and the Commonwealth of the Bahamas.

The common stock of Consolidated Water Co. Ltd. is traded on the NASDAQ National Market under the symbol "CWCO". Additional information on the Company is available on its website at http://www.cwco.com.

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, the Company's ability to manage growth 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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