Consolidated Water Co. Ltd. Extends Operating Agreement In Barbados

Company To Continue Supplying Irrigation Water For Golf Courses On Island

GEORGE TOWN, Grand Cayman, Cayman Islands (January 9, 2006) -- Consolidated Water Co. Ltd. (NASDAQ National Market: CWCO), which develops and operates seawater conversion plants and water distribution systems in areas where natural supplies of water are scarce, today announced that its wholly-owned subsidiary, DesalCo. (Barbados) Ltd. ("DesalCo"), has renewed its agreement with Sandy Lane Properties Limited ("Sandy Lane"), and extended such contract through January 19, 2007.

Under the terms of the agreement, DesalCo will continue to operate a seawater desalination plant that provides irrigation water for three golf courses on the Sandy Lane Resort in St. James, Barbados. The plant and property are owned by Sandy Lane, and DesalCo has operated the plant since January 2001. DesalCo also designed and constructed the seawater reverse osmosis desalination plant, which produces up to 1.3 million US gallons per day of irrigation water from seawater.

"We are pleased to announce an extension of our contract with Sandy Lane for another year, on essentially the same terms as the previous agreement," commented Rick McTaggart, Chief Executive Officer of Consolidated Water Co. Ltd. "As is the case with many Caribbean nations, water has become an increasingly scarce resource in Barbados, and a substantial increase in tourism in recent years has increased the demand for golf course irrigation water on the island. While we supply potable (i.e., drinking) water to residential and commercial customers in most of our other markets, our experience in producing non-potable water for irrigation in Barbados and the Cayman Islands allows us to seek similar opportunities on other islands where natural supplies of water are scarce."

In October 2005, Consolidated entered into a relationship with Newwater Incorporated, another Barbados entity, whereby the two companies will work together to develop business opportunities involving potable water and wastewater projects in new and existing markets. Newwater Incorporated is partly owned by Zenon Environmental (Toronto: ZEN), a world leader in wastewater treatment that is headquartered in Ontario, Canada. Zenon is a leading developer, manufacturer and marketer of advanced membrane technologies. "We believe that our relationships with Sandy Lane and Newwater have allowed us to establish a strong foothold in Barbados and the southern Caribbean, and we intend to seek additional contracts to serve the potable, non-potable and wastewater processing needs of other countries in the region," concluded McTaggart.

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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