Consolidated Water To Double Capacity Of North Sound Water Plant On Grand Cayman

Strength In Economy And Tourism Drives Demand For Potable Water On Island

GEORGE TOWN, Grand Cayman, Cayman Islands (July 6, 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 drinking (i.e., potable) water are scarce, today announced that its bulk water customer on Grand Cayman Island, Water Authority - Cayman, has accepted the Company's proposal to double the production capacity of the North Sound reverse osmosis ("RO") water desalination plant.

Water Authority - Cayman has instructed the Company to commence work immediately on an expansion in production capacity from 800,000 US gallons per day (USgpd) to 1.6 million USgpd. The present operating contract for the plant, which expires in November 2008, will be extended by seven years from the date on which the Company completes the capacity expansion, which is currently scheduled for the first quarter of 2007.

"We are very pleased that Water Authority - Cayman has evidenced its confidence in Consolidated Water by accepting our proposal to expand capacity at the North Sound plant in order to satisfy the growing demand for potable water on Grand Cayman," noted Rick McTaggart, President and Chief Executive Officer of Consolidated Water Co. Ltd. "Consolidated Water operates all of Water Authority - Cayman's desalination plants on Grand Cayman. These plants produce water for those areas that are not served under our retail franchise. Tourism and the economy on Grand Cayman have recovered sharply following the devastation caused by Hurricane Ivan in September 2004, and the expansion in production capacity at North Sound will address the growing needs of business and residential users on the Island."

"The North Sound RO plant, one of the most efficient plants in our inventory, utilizes the DWEER(R) energy recovery system, and we intend to use the DWEER(R) technology for the expansion, as well," concluded McTaggart.

Consolidated Water Co. Ltd. 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.

For further information, please contact:

Frederick W. McTaggart, President and CEO, at (345) 945-4277 or
via e-mail at info@cwco.com

or

RJ Falkner & Company, Inc., Investor Relations Adviser at (800) 377-9893 or
via e-mail at info@rjfalkner.com http://www.cwco.com

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