Consolidated Water Co. Ltd. Announces Seven-Year Extension of Contract to Operate Red Gate Plant on Grand Cayman Island

Company Reports No Damage From Hurricane Gustav GEORGE TOWN, Grand Cayman, Cayman Islands, Sept 02, 2008 /PRNewswire via COMTEX News Network/ -- Company Reports No Damage From Hurricane Gustav

GEORGE TOWN, Grand Cayman, Cayman Islands, Sept. 2 /PRNewswire-FirstCall/ -- Consolidated Water Co. Ltd. (Nasdaq: CWCO) today announced that it has been notified by its customer, Water Authority - Cayman, that the Company's contract to operate the Red Gate Seawater Desalination Plant on Grand Cayman Island will be extended for a seven-year period. The extension includes an upgrade of the Red Gate Plant, which was originally constructed in 1989.

"We are pleased to announce that the Water Authority - Cayman has accepted our proposal to upgrade the Red Gate plant and to operate the plant for a further seven years in exchange for an approximately 20% reduction in the current unit cost of water delivered from this plant," stated Rick McTaggart, Chief Executive Officer of Consolidated Water Co. Ltd. "This marks the third such contract extension involving our operation of water desalination plants on Grand Cayman that we have received from Water Authority - Cayman during the past three years, and we believe it demonstrates the Cayman Island Government's continued satisfaction with our service and pricing. The Red Gate contract was set to expire in November of this year, and we expect the new contract to take effect prior to such expiration date, in order to ensure no disruptions in water production at the plant."

"Under the terms of the new agreement, our Ocean Conversion (Cayman) Limited (OCC) subsidiary will make capital improvements to the Red Gate Plant in order to extend the useful life of the plant for at least a further seven years," continued Mr. McTaggart. "The Red Gate Plant, with a production capacity of approximately 1.3 million US gallons of potable water per day, is one of three plants we presently operate for Water Authority - Cayman, and we are currently constructing a fourth plant with a production capacity of 2.4 million US gallons per day which is expected to be operational in early 2009."

The Company also reported that its Cayman Islands operations suffered no damage or service interruptions from the passage of Hurricane Gustav last week, and all facilities on Grand Cayman Island are operating normally.

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About Consolidated Water Co. Ltd.

Consolidated Water Co. Ltd. develops and operates seawater desalination plants and water distribution systems in areas of the world where naturally occurring supplies of potable water are scarce or nonexistent. The Company currently operates water production and/or distribution facilities in the Cayman Islands, Belize, the British Virgin Islands and The Commonwealth of The Bahamas. The Company is currently constructing a seawater desalination plant in Bermuda and was recently named the successful bidder on the privatization of the water utility on five of the seven islands in the Turks and Caicos Islands.

The ordinary (common) shares of Consolidated Water Co. Ltd. are traded on the NASDAQ Global Select 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," "should" 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, the ability of the Company to successfully negotiate and conclude mutually acceptable agreements with the Government of the Turks and Caicos Islands for the privatization of water supply systems on five islands in the Turks and Caicos group, and with the Water Authority - Cayman regarding the contract extension for the Red Gate plant; 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 manner in which disputed issues between OC-BVI and the British Virgin Islands Government are resolved, the ability to successfully secure contracts for water projects in other countries, the ability to develop and operate such projects profitably and 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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