Consolidated Water Co. Ltd. Reports Tentative Agreement for BVI Affiliate's Bar Bay Plant

GEORGE TOWN, Cayman Islands, Dec 22, 2008 /PRNewswire-FirstCall via COMTEX News Network/ --

Consolidated Water Co. Ltd. (Nasdaq: CWCO) today reported that its affiliate, Ocean Conversion (BVI) Ltd. ("OC-BVI"), and the British Virgin Islands Government on December 19, 2008 executed a binding term sheet (the "Agreement") for the purchase of water by the BVI Government from OC-BVI's seawater desalination plant located at Bar Bay, Tortola, BVI. The parties intend this Agreement to govern the terms of sale of water by OC-BVI to the BVI Government until the parties execute a definitive contract. CWCO owns a 43.5% equity interest in OC-BVI.

Under the terms of the Agreement, OC-BVI will deliver up to 600,000 US gallons of water per day to the BVI Government from the Bar Bay plant. However, until completion of the construction of the first phase of certain additional facilities by OC-BVI, the BVI Government is not obligated to purchase any minimum volumes of water from OC-BVI. The first phase of such facilities construction involves the installation of water pipes from the plant to a BVI Government-owned reservoir site and from this site to the BVI Government's piped water distribution system. This phase must be completed within six months of the signing of the proposed definitive contract. After completion of this first phase, the BVI Government will be obligated to purchase at least 600,000 US gallons of water per day from the plant. A second phase of construction requires OC-BVI to complete a storage reservoir on the BVI Government site within twelve months of the signing of the proposed contract. The proposed seven-year contract is expected to include a seven-year extension option exercisable by the BVI Government.

"We are pleased to announce that our BVI affiliate has reached a tentative agreement with the BVI Government for the utilization of its Bar Bay plant," commented Rick McTaggart, President and Chief Executive Officer of Consolidated Water Co. Ltd. "We believe this plant will contribute greatly to improving the quality of life for residents on the eastern end of Tortola, where water has historically been quite scarce."

The Company does not expect revenues from the Bar Bay plant to have a material impact on the equity results it records from its investment in OC-BVI until such time as the BVI Government is purchasing the minimum 600,000 US gallons per day. The Bar Bay plant Agreement is unrelated to the status of OC-BVI's dispute with the BVI Government over the ownership of the Baughers Bay plant, which remains unchanged.

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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 operates water production and/or distribution facilities in the Cayman Islands, Belize, the British Virgin Islands and The Commonwealth of The Bahamas and is currently constructing a seawater desalination plant in Bermuda. Additional information on the Company is available on its website at http://www.cwco.com.

Consolidated Water Co. Ltd. is headquartered in George Town, Grand Cayman, in the Cayman Islands. The Company's ordinary (common) shares 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, 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 the disputed issues between OC-BVI and the BVI Government are resolved, OC-BVI's ability to secure a definitive water sale contract for the Bar Bay plant on acceptable terms to OC-BVI, 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.

For further information, please contact:

Frederick W. McTaggart, President and CEO, at (345) 945-4277 or
David W. Sasnett, Executive Vice President and CFO, at (954) 427-6283
or via e-mail at info@cwco.com
http://www.cwco.com
or
RJ Falkner & Company, Inc., Investor Relations Counsel at
(800) 377-9893 or via e-mail at info@rjfalkner.com

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