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Consolidated Water Co. Ltd. to Expand Retail Water Operations With Bahamas Joint Venture

GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS -- (Marketwire) -- 05/23/12 -- Consolidated Water Co. Ltd. (NASDAQ: CWCO), which 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, today announced that it has formed a joint venture ("JV") with The New Providence Development Company Limited ("NPDC") in Nassau, Bahamas. This JV will own and operate a retail water utility that will provide potable water to some of the most prestigious areas in The Bahamas, including Lyford Cay and Old Fort Bay.

Consolidated Water has agreed to purchase 50% of the ownership in the JV for $7 million Bahamian dollars. NPDC is transferring its existing retail water utility business, which presently provides water to approximately 1,000 customers, to the JV for its 50% ownership. The JV will operate pursuant to a 25-year exclusive water utility franchise granted by the Bahamas government for the western end of New Providence Island.

"We are pleased to have the opportunity with this JV to add a Bahamian retail water utility to our operations," commented Rick McTaggart, Chief Executive Officer of Consolidated Water Co. Ltd. "The expertise we have acquired operating a retail water utility in Grand Cayman for more than 38 years, combined with NPDC's operating experience in The Bahamas (which began the mid-1960s) will enable the JV to provide customers on the western end of New Providence Island with a world-class water supply."

NPDC is transferring a business to the JV that currently collects groundwater from approximately 1,700 acres of land, treats that groundwater and distributes potable water to its customers. The JV will have a license to continue collecting this water for the term of the 25-year franchise. Consolidated Water will be contracted to provide management and engineering services for the JV, including the construction of a new water treatment plant that incorporates ultra-filtration, brackish water reverse osmosis ("RO") and seawater RO technologies. Construction of the plant should be completed by the end of 2012.

"We expect to close this transaction on or before June 30, 2012, after which we will commence construction of the new plant improvements," concluded Mr. McTaggart.

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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.

Consolidated Water Co. Ltd. is headquartered in George Town, Grand Cayman, in the Cayman Islands. The Company's ordinary (common) stock is 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 our products and services in the marketplace, changes in our relationships with the governments of the jurisdictions in which we operate, the manner in which the disputed issues between OC-BVI and the BVI government are resolved, the outcome of our negotiations with the Cayman government regarding a new retail license agreement, our ability to successfully secure contracts for water projects, including the project under development in Rosarito, Baja California, Mexico, our ability to develop and operate such projects profitably, and our ability to manage growth and other risks detailed in our periodic report filings with the Securities and Exchange Commission ("SEC").

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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