



## **Consolidated Water Co. Ltd. to Increase Capacity of Blue Hill Plant in Commonwealth of Bahamas by Approximately 67%**

### **Expanded Reverse Osmosis Plant Will Supply 12 Million U.S. Gallons of Water per Day to Water and Sewerage Corporation**

GEORGE TOWN, GRAND CAYMAN, CAYMAN ISLANDS -- (MARKET WIRE) -- 02/01/11 -- 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 entered into a binding letter agreement with its customer, the Water and Sewerage Corporation ("WSC"), to increase the daily production capacity of its Blue Hill plant in Nassau, Bahamas, by approximately 67% to 12 million U.S. gallons (USgpd), compared with the plant's current capacity of 7.2 million USgpd.

Coincident with the expansion in production capacity, the Company and WSC have agreed to extend the term of the original 20-year Blue Hill contract by approximately 5 years (to 2031). Consolidated Water has agreed to finance the design and construction of the new plant and will operate and maintain the expanded facility during the term of the extended agreement.

"We are pleased to announce this agreement with WSC, which will allow the citizens and businesses in Nassau and throughout the entire island of New Providence to sharply reduce their dependence upon more expensive water that is currently barged from Andros Island to port facilities at Arawak Cay on New Providence Island," stated Rick McTaggart, Chief Executive Officer of Consolidated Water Co. Ltd. "By expanding the Blue Hill plant, WSC should eliminate almost \$7 million in capital spending that would have been required to relocate the present barging operation from Arawak Cay, and should realize several million dollars in additional yearly cost savings by replacing barged water with locally produced desalinated water. The economics of the Blue Hill facility, which is our largest plant and has been delivering water to WSC since 2006, should significantly benefit from the expansion in capacity and the 5-year extension of our contract with WSC."

"We are very pleased that the Bahamas government has once again selected Consolidated Water to provide vital potable water production infrastructure for the people of New Providence, and we appreciate their confidence in our Company to deliver this expansion within the government's very tight schedule," continued McTaggart. "The capacity expansion is scheduled for completion in this year's fourth quarter, following which the combined production capacity of our Blue Hill and Windsor plants in Nassau will approximate 14.6 million USgpd."

"Our Company believes that the demand for potable water will continue to exceed the availability of natural water resources in a growing number of countries throughout the world in coming years. While this should result in new project opportunities and geographic growth for Consolidated Water, we are well aware of the potential to increase the scope of our activities within existing markets, as the Blue Hill expansion illustrates. Our ability to grow within existing markets can only be realized if we maintain our production efficiencies and provide excellent service to our customers. These are, and will remain, our priorities in the Commonwealth of the Bahamas and other markets that we currently serve in the Caribbean region," concluded 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, The Commonwealth of The Bahamas and Bermuda.

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 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, 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

(345) 945-4277

David W. Sasnett

Executive Vice President and CFO

(954) 427-6283

[info@cwco.com](mailto:info@cwco.com)

<http://www.cwco.com>

or

RJ Falkner & Company, Inc.

Investor Relations Counsel

(800) 377-9893

[info@rjfalkner.com](mailto:info@rjfalkner.com)

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