



## **Consolidated Water Co. Ltd. To Align With Newwater Incorporated To Pursue Water Projects**

### **Initial Efforts To Target Potable And Wastewater Projects**

GEORGE TOWN, Grand Cayman, Cayman Islands (October 21, 2005) -- 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 it has entered into a non-binding Memorandum of Understanding (MOU) with Newwater Incorporated. Under the terms of the MOU, the companies will work together to develop business opportunities involving potable water and wastewater projects in new and existing markets.

Newwater Incorporated is partly owned by Zenon Environmental (TSX: ZEN), a world leader in wastewater treatment with revenues in excess of \$275 million (Cdn) that is headquartered in Ontario, Canada. Zenon is a leading developer, manufacturer and marketer of advanced membrane technologies.

"We believe that our two companies can leverage their respective technologies and operating expertise in the pursuit of opportunities in a number of countries for the supply of potable water produced by seawater reverse osmosis, and for wastewater treatment using membrane or other processes," commented Rick McTaggart, Chief Executive Officer of Consolidated Water Co. Ltd. "Our initial joint initiative will involve prospective water projects in Barbados, where the company currently produces water for golf course irrigation. Barbados has been officially declared a 'water short' island, and local officials have indicated an interest in resolving this problem through water reuse and desalination technology."

Consolidated Water Co. Ltd. is engaged in the development and operation of seawater conversion plants and/or water distribution systems in areas of the world where naturally occurring supplies of potable water are scarce or nonexistent. Consolidated 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.

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