



Aqua America Subsidiary Closes \$2.2 Million Purchase of North Carolina Wastewater System

BRYN MAWR, Pa., Dec 06, 2005 (BUSINESS WIRE) -- Aqua America, Inc. (NYSE:WTR) announced today that its North Carolina subsidiary acquired the wastewater system serving the Governor's Club residential community on the outskirts of Chapel Hill. The purchase price is approximately \$2.2 million.

With this acquisition, Aqua North Carolina, Inc. will provide wastewater services for nearly 2,100 residents in this Chatham County community, which includes a 27-hole golf course designed by Jack Nicklaus. An additional 1,500 residents are expected when the development is built out.

"This acquisition expands our presence in one of North Carolina's most prestigious growth areas, strengthening our foothold in the Tar Heel State and creating opportunities for additional growth ventures," said Aqua America Chairman and Chief Executive Officer Nicholas DeBenedictis, noting that the company now provides water and wastewater services to more than 210,000 residents in 31 counties across the state.

This transaction comes on the heels of the company's acquisition in September of another Chatham County wastewater system, the Preserve at Jordan Lake. That system serves nearly 750 residents, with an additional 800 residents expected at build-out.

At Governor's Club, the wastewater plant's capacity was recently expanded to 200,000 gallons per day (gpd). Currently, the system's average wastewater treatment is 100,000 gpd. The facility has 18 million gallons of storage, including a newly expanded 15 million gallon storage pond.

Aqua America, Inc. is the largest U.S.-based publicly-traded water company, serving more than 2.5 million residents in Pennsylvania, Ohio, North Carolina, Illinois, Texas, Florida, New Jersey, Indiana, Virginia, Maine, Missouri, New York, and South Carolina. Aqua America is listed on both the New York and Philadelphia Stock Exchanges under the ticker symbol WTR.

This release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, the potential for additional customer growth from acquired operations and additional opportunities for growth. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements, including: general economic business conditions, unfavorable weather conditions, the success of certain cost containment initiatives, changes in regulations or regulatory treatment, availability and the cost of capital, the success of growth initiatives, and other factors discussed in our filings with the Securities and Exchange Commissions.

WTRF

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