



Aqua America PA Subsidiary Acquires Emlenton Water Company

Company Asked by Regulators to Assume Control of Troubled System

BRYN MAWR, Pa., Dec 31, 2008 (BUSINESS WIRE) --

Aqua America, Inc. (NYSE:WTR) announced today that its Pennsylvania subsidiary, Aqua Pennsylvania, Inc., has completed the acquisition of the Emlenton Water Company, which serves approximately 1,200 people in portions of Emlenton Borough and Richland Township, Venango County and Richland Township, Clarion County in western Pennsylvania in a transaction valued at \$475,000.

Aqua Pennsylvania has been operating the troubled utility as its certified operator under an emergency order from the Pennsylvania Public Utility Commission since November 21, 2008. Since that time, Aqua Pennsylvania has had full operational control of Emlenton's water supply treatment plant and distribution system. Emlenton customers have been on a boil water order since April 29, 2008 as a result of several issues that remain in effect.

"We are pleased that the PUC came to us and that we were able to help the former owners of Emlenton and their customers," said Aqua America Chairman and CEO Nicholas DeBenedictis. Since assuming control of the system, Aqua Pennsylvania has provided a certified operator to run the plant, and a water tanker truck and bottled water for customers potable water needs. "Now that we have ownership of the system, we will invest what it takes to get customers off of the boil order as quickly as possible," DeBenedictis added.

Aqua America is a publicly traded water and wastewater utility holding company with operating subsidiaries serving approximately threemillion people in Pennsylvania, Ohio, North Carolina, Illinois, Texas, New Jersey, New York, Florida, Indiana, Virginia, Maine, Missouri and South Carolina. Aqua America is listed on the New York Stock Exchange under the ticker symbol WTR.

This release contains forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995 that address, among other things, the projected investment in the acquired system, the effect of the acquisition of the described business, and possible benefits from the acquired operations. There are important factors that could cause actual results to differ materially from those expressed or implied by such forward-looking statements including: the risk that the acquired company's business will not be successfully integrated; the risk that the proposed improvements will not be made as projected or have the indicated benefits; the costs related to the transaction; the risk that anticipated benefits will not be obtained or will not be obtained within the time anticipated; and other key factors that we have indicated could adversely affect our business and financial performance contained in our past and future filings and reports, including those filed with the Securities and Exchange Commission. Aqua America is not under any obligation--and expressly disclaims any such obligation--to update or alter its forward-looking statements whether as a result of new information, future events, or otherwise.

WTRF

SOURCE: Aqua America, Inc.

Aqua America, Inc.

Gretchen Toner

Senior Communications Specialist

610-645-1175

gmtoner@aquaamerica.com

or

Brian Dingerdissen

Director, Investor Relations

610-645-1191

bjdingerdissen@aquaamerica.com

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