



Student Transportation of America Completes Accretive Acquisition in Pennsylvania

September 28, 2005, TORONTO, ON — Student Transportation of America, Ltd. (STA), (TSX: STB.UN) today announced it has acquired student transportation company James O. Sacks, Inc. of Collegeville, Pennsylvania. The company has annual revenues of approximately US \$5.3 million and will be immediately accretive to cash flow.

"This acquisition adds to our regional density and provides a solid platform for us to expand in Eastern Pennsylvania, where there are many rural and suburban areas that fit our target niche," said Denis J. Gallagher, Chairman and CEO of STA. "It is a great company with an excellent staff, top quality customer base and contracts that reflect our commitment to mitigating fuel costs."

More than 70 per cent of James O. Sacks, Inc.'s revenue comes from a contract in which the customer pays for 100 per cent of the fuel. The acquisition adds 140 school vehicles to STA's growing fleet.

STA also announced that James Sacks will continue with the company under a long-term consulting agreement.

"Jim's relationships with his team and with the community he and his family have served since the 1950s make this a tremendous addition to our family of companies. We are very pleased that Jim has partnered with us to continue that relationship. We plan to continue the Sacks name and tradition of quality service which is consistent of our strategy of local branding," said Mr. Gallagher.

Commenting on the acquisition, James Sacks, President, said: "I am pleased to be staying on with the company that was started by my family 53 years ago, and that the Sacks name will remain on the side of the buses."

STA is the fifth largest provider of school bus transportation services in North America, conducting operations through local operating subsidiaries. STA has become a leading school bus transportation company by aggregating operations through the consolidation of existing providers and conversion of in-house operations, and currently operates more than 3,300 school vehicles in North America. For more information, please visit www.sta-ips.com.

This news release contains "forward-looking statements" within the meaning of applicable securities laws. These statements concern anticipated future events, results, circumstances, performance or expectations that are not historical facts. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties that can affect our actual results and could cause our actual results to differ materially from those expressed or implied in any forward-looking statement made by us or on our behalf. These statements are made as of the date of this news release and, except as required by applicable law, we undertake no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

For more information contact:

Denis J. Gallagher
Chairman and Chief Executive Officer
Phone: (732) 280-4200
Fax: (732) 280-4213

Patrick J. Walker
Chief Financial Officer
Phone (732) 280-4200
Fax: (732) 280-4213

Keith P. Engelbert
Director of Investor Relations
Phone: (732) 280-4200
Fax: (732) 280-4213
kengelbert@ridesta.com