



## **Student Transportation of America Completes Accretive Acquisition**

Toronto, Ontario - July 18, 2005 - Student Transportation of America, Ltd. (STA), (TSX: STB.UN) today announced that it has acquired certain assets of A&E West Coast Transport, Inc. The acquisition, completed on July 1, 2005 and the company's first of the new 2006 fiscal year, adds 71 vehicles to STA's existing fleet in the San Jose/Silicon Valley area of California and new revenue contracts in excess of US\$4,000,000 annually. Management expects the transaction will increase cash available for distributions and lower the Company's payout ratio. The purchase price was not disclosed.

"This tuck-in acquisition is an excellent strategic fit with our existing operations and facilities serving the San Jose/ Silicon Valley region. Most of the contracts we obtained are with existing customers, the majority of which awarded us new five-year extensions," said Denis J. Gallagher, Chairman and CEO. "In addition, we have added new customers formerly served by A&E to our growing base of operations in California and look forward to providing them with the same safe school transportation services we are known for throughout the United States."

STA currently operates over 3,000 school vehicles in the United States and has been active in growing its operation through targeted acquisitions and strategic bid-in opportunities. STA is the fifth largest provider of school bus transportation services in the United States, 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. For more information, please visit [www.sta-ips.com](http://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.

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