



Student Transportation Of America Ltd. And Student Transportation Of America Ulc Declare July 2005 Distribution

Toronto, Ontario -- July 20, 2005 - Student Transportation of America Ltd. ("STA Ltd.") and Student Transportation of America ULC ("STA ULC", and together with STA Ltd., the "Issuer") (TSX: STB.UN) today announced that a cash payment of \$0.08958333 per income participating security ("IPS") of the Issuer will be payable on August 15, 2005 to holders of record of IPSs at the close of business on July 29, 2005.

Each IPS consists of one common share of STA Ltd. and CDN \$3.847 principal amount of 14 per cent subordinated notes of STA ULC, a wholly-owned subsidiary of STA Ltd. The IPSs trade on the Toronto Stock Exchange under the symbol STB.UN. The total payment of \$0.08958333 per IPS reflects a cash dividend of \$0.04470166 per common share and an interest payment of \$0.04488167 per IPS for the period from July 1 to July 31, 2005, as provided in the subordinated note indenture.

The Issuer is the fifth-largest provider of school bus transportation services in the United States, conducting operations through local operating subsidiaries. The Issuer 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 3,000 school vehicles in the United States. For more information, please visit www.sta-ips.com.

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