

April 8, 2011



Pure Cycle Corporation Announces Financial Results for Six Months Ended February 28, 2011

DENVER, April 8, 2011 (GLOBE NEWSWIRE) -- Pure Cycle Corporation (Nasdaq:PCYO) announced the following summary results of operations:

Summary Statements

Our summarized approximate results of operations for the six months ended February 28, 2011 and 2010 are as follows:

Six Months Ended February 28,		2011
Revenues		\$ 124,900
Cost of revenues		(75,300)
Gross margin		49,600
Operating expenses:		
General and administrative		(1,188,600)
Other		(106,200)
Loss from operations		(1,245,200)
Other (expense) income:		
Interest on TPF and Convertible Debt		(2,045,700)
Other		49,100
Net loss		\$ (3,241,800)
Weighted average shares outstanding (basic and diluted)		22,284,899
Loss per share		\$ (0.15)

Our summarized approximate financial position as of February 28, 2011 and August 31, 2010 is as follows:

February 28, 2011	August 31, 2010	\$ Change
Assets		
Cash, cash equivalents and marketable securities		\$ 4,370,400
Other current assets		313,400
Total current assets		4,683,800
Investments in water and water systems, net		106,538,000
Land - Sky Ranch		3,739,000
Other long-term assets		954,100
Total assets		\$ 115,914,900
Liabilities and Shareholders' Equity		
Current liabilities		\$ 291,200
Tap participation fee payable to HP A&M		63,035,300
Other long-term liabilities		2,576,400
Total liabilities		65,902,900
Total shareholders' equity		50,012,000
Total liabilities and shareholders' equity		\$ 115,914,900

Summary of Significant Events and Changes

Revenues increased approximately 13% during the six months ended February 28, 2011 compared to the six months ended February 28, 2010 mainly due to increases in water and wastewater monthly fees which were effective July 1, 2010.

General and administrative expenses increased approximately 26% mainly due to increased consulting and professional service fees related to ongoing discussions with the State Land Board and the City of Aurora, fees and expenses that were not capitalized as part of our acquisition of the Sky Ranch property (see our Form 10-Q for the six months ended February 28, 2011 for more details), and the payment of approximately \$180,000 of bonuses for the successful completion of the Sky Ranch acquisition and related financings.

During the six months ended February 28, 2011, we expensed approximately \$151,700 of interest on a \$5.2 million convertible note that we issued in September 2010, which was part of the financing of the Sky Ranch land and water acquisition. Interest on this ceased on January 11, 2011, when we issued 1,982,099 shares of restricted common stock upon the conversion of the note (approved by our shareholders at the January 11, 2011 Annual Shareholders' Meeting).

Levels of cash, cash equivalents and marketable securities increased as a result of the stock issuance and issuance of the \$5.2 million convertible note, which was offset by our acquisition of Sky Ranch and use of cash for operations during the six months ended February 28, 2011.

Earnings Call

We will be hosting an earnings call to discuss our mid-year results. Call details are below. Consistent with prior periods, we have posted a detailed slide presentation which overviews the Company and presents summary financial results on our website which can be accessed at www.purecyclewater.com.

Call Information

Date:	Tuesday April 12, 2011
Time:	2:00 PM Mountain (4:00 PM Eastern)
Call in:	(877) 377-7104

A replay of the call will be available until April 18, 2011 by calling 1-800-642-1687.

Company Information

Pure Cycle owns water assets in several river basins in the State of Colorado as well as certain aquifers in the Denver, Colorado metropolitan area. Pure Cycle provides water and wastewater services to customers located in the Denver metropolitan area including the design, construction, operation and maintenance of water and wastewater systems.

Additional information including our recent press releases and Annual Reports are available at www.purecyclewater.com, or you may contact our President, Mark W. Harding, at 303-292-3456 or at info@purecyclewater.com.

CONTACT: Mark W. Harding, President
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Image: company logo

Source: Pure Cycle Corporation