

October 27, 2008



Pure Cycle Announces Developer May Terminate Involvement With the Lowry Range

THORNTON, CO -- (MARKET WIRE) -- 10/27/08 -- Pure Cycle Corporation (NASDAQ: PCYO) announced today that Lend Lease Lowry Range LLC (Lend Lease) has notified the Colorado State Board of Land Commissioners (State Land Board) of its intent to terminate, as of December 31, 2008, its agreement with the State Land Board regarding development at the Lowry Range.

Lend Lease, an Australian based developer, entered the Colorado development market in 2005 after it was selected by the State Land Board to develop portions of the Lowry Range property. More than 25 years prior to Lend Lease's selection, the State Land Board sought to protect and develop its water resources on 24,000 acres of the Lowry Range in order to assure that an adequate water supply would be available for future development and, by doing so, to secure a multigenerational, non tax-based revenue source from its water assets for the benefit of the Colorado public education system. Throughout the Lowry Range development selection process, the State Land Board was careful to protect its long standing agreements and investments in its water assets.

More than 12 years ago the State Land Board and the Rangeview Metropolitan District entered into agreements with Pure Cycle Corporation to provide water and wastewater services to 24,000 acres of the Lowry Range. Two of the six sections of the Development Parcel are subject to these long standing water agreements.

One of the foundations of the State Land Board's water agreement are that it assures commercially reasonable costs for water and wastewater services while simultaneously providing the State Land Board with a continuing royalty interest from its water assets. Using a market based pricing structure, the agreement requires developers of the Lowry Range to pay fair market rates for water service based on comparable rates established by certain neighboring water providers.

Pure Cycle's investment in the State Land Board's Lowry Range water assets began over 20 years ago. Since that time, Pure Cycle has invested nearly \$70 million into the Lowry Range water assets and has successfully adjudicated annual water supplies of over 30,000 acre feet of drought proof groundwater and approximately 3,200 acre feet of renewable surface water supplies; along with non-jurisdictional water reservoir sites providing for at least 25,000 acre feet of storage. To bolster the State Land Board's Lowry Range water assets, in 2006 Pure Cycle purchased an additional 60,000 acre feet per year of senior renewable water rights that Pure Cycle has made available for development at the Lowry Range and other areas along the Front Range. Lend Lease's proposed development on the two sections of the Lowry Range, subject to the existing agreements between the State Land Board and Pure Cycle, would consume only about 1,000 acre feet per year of water and would

generate tens of millions of dollars in water royalty revenues directly benefiting the School Trust.

Lend Lease has brought unique challenges to the development of the Lowry Range by creating controversy over jurisdictional entitlements as well as supporting the City of Aurora's unsuccessful attempts to adversely adjudicate three of the State Land Board's valuable reservoir sites at the Lowry Range. Lend Lease's actions in March 2008 in support of Aurora were in direct contravention to the State Land Board's Statements of Opposition and Board Order filed in the case. In April of this year, the Colorado Water Court denied Lend Lease's motion to intervene and upheld the State Land Board's interests in these reservoir sites.

"We are disappointed with Lend Lease's attempts to intervene in the State Land Board's water assets and preexisting agreements. Nevertheless, Pure Cycle continues to work closely with its long standing partner, the State Land Board, to find cooperative solutions that meet the interest of its shareholders as well as the School Trust beneficiaries," commented Pure Cycle President and CEO Mark Harding.

"Pure Cycle has been providing domestic water and wastewater services to customers on and off the Lowry Range for over 10 years. In the event Lend Lease terminates its interest in the Lowry Range, Pure Cycle will continue to provide sustainable, renewable, cost effective water and wastewater services to current and future developments at the Lowry Range and the region. We remain committed to ensuring that the Lowry Range water assets continue to provide the School Trust beneficiaries access to tens of millions of dollars of water royalty revenues," Mr. Harding continued.

Company Information

Pure Cycle owns substantial water assets across the State of Colorado and currently provides water and wastewater services to its customers located in the Denver metropolitan area.

Additional information, including our recent press releases and annual reports, are available at www.purecyclewater.com

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