

April 9, 2010



Pure Cycle Corporation Announces Second Quarter Fiscal 2010 Results

DENVER, April 9, 2010 (GLOBE NEWSWIRE) -- Pure Cycle Corporation (Nasdaq:PCYO) announced the following summary results of operations:

	Six Months Ended February 28,			
	2010	2009	\$ Change	% Change
Total revenues	\$ 110,800	\$ 118,000	\$ (7,200)	-6%
Total cost of revenues	(80,000)	(83,600)	3,600	-4%
Gross margin	30,800	34,400	(3,600)	-10%
Gross margin %	28%	29%		-1%
Operating expenses:				
General and administrative expenses	(940,200)	(1,092,400)	152,200	-14%
Other operating expenses	(149,300)	(145,600)	(3,700)	3%
Loss from operations	(1,058,700)	(1,203,600)	144,900	-12%
Other (expense) income:				
Interest imputed on the Tap Participation Fee liability	(1,782,000)	(2,004,000)	222,000	-11%
Other	47,700	94,300	(46,600)	-49%
Net loss	\$ (2,793,000)	\$ (3,113,300)	\$ 320,300	-10%
Weighted average shares outstanding (basic and diluted)	20,206,566	20,206,566		
Loss per share	\$ (0.14)	\$ (0.15)	\$ 0.01	

Revenues for the six months ended February 28, 2010 decreased 6% over the comparable period in 2009. This was mainly attributable to decreased water usage at our largest customer due to a reduction in funding experienced by the customer as a result of the economy, which resulted in the closing of student housing facilities and reduced water usage. Due to our ability to actively manage our expenditures including some of our energy costs, the gross margin percentage decreased 1%, period over period.

Our general and administrative expenses ("G&A expenses") decreased approximately 14% as a result of cost reduction efforts undertaken by management in light of the weakened economy and particularly the housing market and delays in development within our service areas. Specifically, we reduced the level of outside professional services we were utilizing by more closely managing the level of involvement by legal counsel and other professional service firms. More specific details of the decreases in our G&A expenses are included in our Form 10-Q which was filed on April 9, 2010.

Our summarized financial position as of February 28, 2010 and August 31, 2009 is as follows:

	February 28, 2010	August 31, 2009	\$ Change
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Assets			

Cash, cash equivalents and marketable securities	\$ 2,907,700	\$ 3,707,300	\$ (799,600)
Other current assets	332,100	283,100	49,000
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Total current assets	3,239,800	3,990,400	(750,600)
Investments in water and water systems, net	102,980,200	103,159,600	(179,400)
Other long-term assets	915,200	941,100	(25,900)
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Total assets	\$ 107,135,200	\$ 108,091,100	\$ (955,900)
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Liabilities and Shareholders' Equity			

Current liabilities	\$ 183,500	\$ 138,100	\$ 45,400
Tap participation fee payable to HP A&M	59,303,300	57,521,300	1,782,000
Other long-term liabilities	2,633,900	2,662,500	(28,600)
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Total liabilities	62,120,700	60,321,900	1,798,800
Total shareholders' equity	45,014,500	47,769,200	(2,754,700)
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Total liabilities and shareholders' equity	\$ 107,135,200	\$ 108,091,100	\$ (955,900)
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Cash, cash equivalents and marketable securities have declined due to use of cash in operations. Reference is made to the Management, Discussion and Analysis section of our February 28, 2010 Form 10-Q for further information on cash used by operations.

The Tap Participation Fee is due and payable once we have sold a water tap and received

the consideration due for such water tap. The Tap Participation Fee liability represents the fair value of the estimated amounts payable to HP A&M as a result of the assets we acquired from HP A&M in 2006. The increase is due to the imputing of approximately \$898,000 and \$1.8 million of interest during the three and six months ended February 28, 2010, respectively. This liability is described in further detail in our February 28, 2010 Form 10-Q.

We will host an audio conference call, which will simultaneously be broadcast via webcast on Monday April 12, 2010, at 2 p.m. Mountain time. We also 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 presented below:

TIME: 2 p.m. Mountain (4 p.m. Eastern) WHEN: Monday, April 12, 2010 CALL IN: (877) 377-7104 ON-LINE: www.purecyclewater.com

A digitized replay of the call will be available on our website through April 30, 2010.

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.

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