

November 14, 2007



## Pure Cycle Corporation Announces Fiscal 2007 Financial Results

THORNTON, CO -- (MARKET WIRE) -- 11/14/07 -- Pure Cycle Corporation (the "Company") (NASDAQ: PCYO) announced today it posted a net loss of approximately \$6.9 million (\$.37 per share) on revenues of approximately \$265,700 for the year ended August 31, 2007. This compares to a net loss of approximately \$792,900 (\$.05 per share) on revenues of approximately \$271,700 for the year ended August 31, 2006, and a net loss of approximately \$1.1 million (\$.08 per share) on revenues of approximately \$234,700 for the year ended August 31, 2005. The increased loss is mainly attributable to the following, which are described in greater detail in the Company's Form 10-K filed with the SEC today:

- Approximately \$4.7 million of imputed interest expense related to the "Tap Participation Fees payable to HP A&M," which the Company began expensing on September 1, 2006;
- Approximately \$366,100 of depreciation and depletion charges, which relate mainly to the Arkansas River Valley assets and the assets constructed to provide water to the Arapahoe County Fairgrounds, which were not depreciated in fiscal 2006 or 2005;
- Approximately \$287,300 of stock-based compensation expenses related to stock options recorded pursuant to SFAS 123(R), which is compared to \$209,600 and \$0 expensed in fiscal 2006 and 2005, respectively;
- Approximately \$256,000 of water assessment fees expensed, which is compared to \$0 in both fiscal 2006 and 2005;
- Approximately \$190,000 of additional professional fees related to the High Plains asset acquisition and consultations with the SEC; and
- Approximately \$113,500 of additional State of Delaware franchise fees and NASDAQ fees, which are a result of the increased asset values and shares outstanding due to the High Plains asset acquisition on August 31, 2006.

The Company will host a conference call to discuss these results on November 15, 2007. Details of the call and additional financial highlights are below.

### FINANCIAL HIGHLIGHTS Unaudited Results of Operations

	Years Ended August 31,		
	2007	2006	2005
Total revenues	\$ 265,700	\$ 271,700	\$ 234,700
Total cost of revenues			
Increase due mainly to depletion of the Arapahoe County Fairgrounds water system	(165,200)	(73,900)	(63,200)

Gross margin	100,500	197,800	171,500
Total operating expenses	(2,754,800)	(1,556,600)	(1,322,400)
Other (expense) income			
Including imputed interest of \$4.7 million, \$0 and \$0	(4,260,400)	565,900	100,000
Net loss	\$ (6,914,700)	\$ (792,900)	\$ (1,050,900)
Weighted average shares outstanding (basic and diluted)	18,589,737	14,693,585	13,674,156
Loss per share	\$ (0.37)	\$ (0.05)	\$ (0.08)

#### Financial Position Data

	August 31, 2007	August 31, 2006
Current assets	\$ 7,288,400	\$ 3,121,400
Total assets	\$ 111,891,900	\$ 108,833,900
Current liabilities	\$ 183,300	\$ 380,000
Total liabilities	\$ 54,047,100	\$ 54,169,200
Total stockholders' equity	\$ 57,844,800	\$ 54,664,700

#### CALL INFORMATION

What: Fiscal 2007 Earnings Release Call  
 When: November 15, 2007 at 2:00 pm Mountain  
 To listen: Click on the link posted on the Company's website:  
[www.purecyclewater.com](http://www.purecyclewater.com)  
 Log-on 5 minutes early in case downloads are required.  
 Call in Number: Toll free: (866) 510-0676  
 Passcode: 16124045

#### REPLAY INFORMATION

The call will be available for replay until 9:59 p.m. on November 22, 2007:  
 Toll free: (888) 286-8010  
 Passcode: 70477808  
 A replay will be available on the Company's Website through January 2,  
 2008.

For questions, please contact Investor Relations at [info@purecyclewater.com](mailto:info@purecyclewater.com).

#### 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](http://www.purecyclewater.com), or you may contact our President, Mark W. Harding, at 303-292-3456.

Contact:  
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