

January 9, 2009



Pure Cycle Corporation Announces First Quarter Fiscal 2009 Results

THORNTON, CO -- (MARKET WIRE) -- 01/09/09 -- Pure Cycle Corporation (NASDAQ: PCYO) announced the following summary results of operations for the three months ended November 30, 2008 and 2007, respectively:

	Three months ended November 30,		
	2008	2007	Change
Total revenues	\$ 63,800	\$ 69,700	\$ (5,900)
Total cost of revenues	(46,500)	(41,400)	(5,100)
Gross margin	17,300	28,300	(11,000)
Total operating expenses	(603,900)	(725,100)	121,200
Other (expense) income			
Including imputed interest of \$1.2 million and \$1.1 million, respectively	(1,125,500)	(1,198,200)	72,700
Net loss	\$ (1,712,100)	\$ (1,895,000)	\$ 182,900
Weighted average shares outstanding (basic and diluted)	20,206,566	20,136,157	
Loss per share	\$ (0.08)	\$ (0.09)	\$ 0.01

The gross margin was negatively impacted by testing procedures required every three years as well as certain maintenance procedures performed on one of our water tanks in the first quarter of fiscal 2009. Operating expenses decreased as a result of reduced consulting expenses and the elimination of franchise fees to the State of Delaware as a result of the Company's reincorporation in the State of Colorado.

As further explained in our Form 10-Q filed with the SEC today, the results reported above were impacted by the following items that do not require the use of current assets:

	Three months ended November 30,	
	2008	2007
Imputed expenses or non-cash expenses:		
Imputed Interest on the Tap Participation Fee	\$ 1,163,000	\$ 1,051,000
Loss on extinguishment of contingent obligations	-	273,700
Depreciation and depletion	94,700	95,500
Stock based compensation expense	79,200	81,300
Total imputed and non-cash expenses	\$ 1,336,900	\$ 1,501,500

Because these items do not require the use of current assets, management does not include these items in its analysis of the financial results or how we allocate our resources. Because of this, we deemed it meaningful to provide a non-GAAP disclosure of the impact of these significant items on our financial results. Adjusting our US GAAP net loss to exclude the expenses described above, our net loss for the periods presented would have been:

	Three months ended 2008	November 30, 2007	Change
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Net loss as reported	\$ (1,712,100)	\$ (1,895,000)	\$ 182,900
Imputed and non-cash items described above	1,336,900	1,501,500	\$ (164,600)
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As adjusted net loss	\$ (375,200)	\$ (393,500)	\$ 18,300
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Financial Position Data

	November 30, 2008	August 31, 2008
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Current assets	\$ 5,087,400	\$ 5,502,200
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Total assets	\$109,419,000	\$109,899,400
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Current liabilities	\$ 167,600	\$ 163,900
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Total liabilities	\$ 57,884,100	\$ 56,731,600
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Total shareholders' equity	\$ 51,534,900	\$ 53,167,800
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We will host a conference call to discuss the results at our Annual Shareholders' Meeting on Tuesday, January 13, 2009 at 2 pm Mountain. The call will be hosted by our President, Mark W. Harding. Call details are presented below.

Additional information regarding the Annual Shareholders' Meeting is included in our Proxy Statement filed with the SEC on December 12, 2008.

CALL INFORMATION

What: First quarter Fiscal 2009 Financial Release and Annual Shareholders' Meeting

When: January 13, 2009 at 2:00 pm Mountain

To listen: Click on the link posted on the Company's website:
www.purecyclewater.com
Log-on 5 minutes early in case downloads are required.

Call in Number: To participate in the call, dial toll free:
(866) 713-8567

Passcode: 38331049

REPLAY INFORMATION

The call will be available for replay until 9:59 pm on January 20, 2009:
Toll free: (888) 286-8010
Passcode: 61978488

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:
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