

November 13, 2009



Pure Cycle Corporation Announces 2009 Fiscal Year End Results

DENVER, Nov. 13, 2009 (GLOBE NEWSWIRE) -- Pure Cycle Corporation (Nasdaq:PCYO) announced the following summary results of operations:

For the Years Ended August 31,

	2009	2008	2007	09-08 Change	08-07 Change
Total revenues	\$ 260,200	\$ 282,400	\$ 265,700	\$ (22,200)	\$ 16,700
Total cost of revenues	(163,400)	(166,000)	(165,200)	2,600	(800)
Gross margin	96,800	116,400	100,500	(19,600)	15,900
Operating expenses:					
General and administrative expenses	(1,942,200)	(2,316,300)	(2,476,500)	374,100	160,200
Other operating expenses	(293,100)	(292,800)	(278,300)	(300)	(14,500)
Loss from operations	(2,138,500)	(2,492,700)	(2,654,300)	354,200	161,600
Other (expense) income:					
Interest imputed on the Tap Participation Fee liability	(3,733,000)	(4,393,000)	(4,669,700)	660,000	276,700
Other	143,400	(41,000)	409,300	184,400	(450,300)
Net loss	\$ (5,728,100)	\$ (6,926,700)	\$ (6,914,700)	\$ 1,198,600	\$ (12,000)
Weighted average shares outstanding					

ing (basic and diluted)	20,206,566	20,188,675	18,589,737		
=====					
Loss per share	\$ (0.28)	\$ (0.34)	\$ (0.37)	\$ 0.06	\$ 0.03
=====					

Fiscal 2009 revenues and gross margin were negatively impacted by reduced irrigation water usage in 2009 as a result of above average precipitation, particularly during the early summer months. Fiscal 2008 revenues and gross margin were positively impacted by lower precipitation levels as compared with 2007, along with a rate increase in July 2008.

Our general and administrative expenses ("G&A expenses") have decreased since 2007 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 at the Lowry Range as a result of the developer withdrawing from the project. Specifically, we reduced the number of consultants we were utilizing to assist with negotiations at the Lowry Range and we eliminated franchise fees payable to the State of Delaware as a result of our reincorporation into Colorado in 2008. More specific details of the decreases in our G&A expenses are included in our Annual Report on Form 10-K which is expected to be filed on or about November 13, 2009.

Other income in 2009 was positively impacted by approximately \$59,700 of gain from non-irrigated land sales which is more fully described in our Form 10-K.

Our summarized financial position as of August 31, 2009 and 2008 is as follows:

	August 31, 2009	August 31, 2008	\$ Change	% Change

Assets				

Cash, cash equivalents and marketable securities	\$ 3,707,300	\$ 5,239,000	\$ (1,531,700)	-29%
Other current assets	283,100	263,200	19,900	8%

Total current assets	3,990,400	5,502,200	(1,511,800)	-27%
Investments in water and water systems, net	103,159,600	103,346,600	(187,000)	0%
Other long-term assets	941,100	1,050,600	(109,500)	-10%

Total assets	\$108,091,100	\$109,899,400	\$ (1,808,300)	-2%
=====				
Liabilities and Shareholders' Equity				

Current liabilities	\$ 138,100	\$ 163,900	\$ (25,800)	-16%
Tap participation fee payable to HP A&M	57,521,300	53,848,000	3,673,300	7%
Other long-term				

liabilities	2,662,500	2,719,700	(57,200)	-2%

Total liabilities	60,321,900	56,731,600	3,590,300	6%

Total shareholders' equity	47,769,200	53,167,800	(5,398,600)	-10%

Total liabilities and shareholders' equity	\$108,091,100	\$109,899,400	\$(1,808,300)	-2%
	=====			

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 August 31, 2009 Form 10-K for further information on cash used by operations. Our other current assets increased mainly as a result of additional prepaid expenditures due to the timing of payments for various annual contracts.

Our current liabilities decreased mainly as a result of timing of payments made on accounts payable and due to the cost reduction efforts described above. 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 \$3.7 million of interest during the year ended August 31, 2009. This liability is described in further detail in our August 31, 2009 Form 10-K.

Other information

During the year ended August 31, 2009, the Colorado Supreme Court upheld the Colorado Water Court's ruling against the City of Aurora relating to a water court application concerning Aurora's application to adjudicate certain reservoir sites already adjudicated to the Rangeview Metropolitan District and the State Land Board which Pure Cycle holds certain rights to pursuant to an agreement with the State Land Board.

We will be hosting an audio conference call to discuss these results on Tuesday, November 17, 2009 at 2 PM Mountain. We will be posting a detailed slide presentation which overviews the Company and presents summary financial results on our website on or about November 13, 2009 following the filing of our Form 10-K, which can be accessed at www.purecyclewater.com. Details of the call are presented below.

CALL INFORMATION

When: November 17, 2009 at 2PM Mountain

Call in numbers: 888-801-6499 or 913-312-0945

Inform the operator you are listening to the Pure Cycle Financial Results Call.

A digitized replay of the call will be available on our website until January 12, 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.

CONTACT: Pure Cycle Corporation
303-292-3456