

April 11, 2014



Pure Cycle Corporation Announces Second Fiscal Quarter 2014 Financial Results

DENVER, CO -- (Marketwired) -- 04/11/14 -- Pure Cycle Corporation (NASDAQ: PCYO) today reported financial results for the six months ended February 28, 2014. Basic and diluted loss per share decreased 38% from a loss of \$.08 per share in last year to \$.05 per share this year.

"During the second quarter we continued to see our business grow and develop driving long-term shareholder value," commented Mark Harding, President of Pure Cycle Corporation. "We are very excited to have record water sales and deliveries and are continuing to add value to our Company through monetizing our valuable water assets."

The following table summarizes approximate results of operations for the six months ended February 28, 2014 and 2013:

	Six Months Ended February 28,		\$ Change	% Change
	2014	2013		
Industrial water used for fracking	\$ 654,600	\$ 85,600	\$ 569,000	665 %
Water & wastewater	81,900	86,600	(4,700)	-5 %
Farm operations	526,900	667,900	(141,000)	-21 %
Other	51,000	32,800	18,200	55 %
Total Revenues	1,314,400	872,900	441,500	51 %
Cost of revenues	(364,800)	(197,300)	(167,500)	85 %
Gross margin	949,600	675,600	274,000	41 %
Operating expenses:				
General and administrative	(1,304,900)	(1,141,600)	(163,300)	14 %
Other	(22,900)	(109,800)	86,900	-79 %
Loss from operations	(378,200)	(575,800)	197,600	-34 %
Other (expense) income:				
Interest on TPF and Convertible Debt	(1,060,200)	(1,544,800)	484,600	-31 %
Other income	260,400	231,700	28,700	12 %
Other expenses	(124,500)	(103,200)	124,500	-100 %

Net loss	<u>\$ (1,302,500)</u>	<u>\$ (1,992,100)</u>	<u>\$ 835,400</u>	<u>-42 %</u>
Loss per share	\$ (0.05)	\$ (0.08)	\$ 0.03	38 %

Revenues increased approximately 51% during the our six months ended February 28, 2014 compared to our six months ended February 28, 2013 primarily as a result of increased water sales used for fracking.

Our summarized approximate financial position as of February 28, 2014 and August 31, 2013 is as follows:

	February 28, 2014	August 31, 2013	\$ Change
<u>Assets</u>			
Cash, cash equivalents and marketable securities	\$ 289,600	\$ 2,448,400	\$ (2,158,800)
Other current assets	12,929,900	7,451,600	5,478,300
Total current assets	13,219,500	9,900,000	3,319,500
Investments in water and water systems, net	89,010,600	88,512,200	498,400
Land - Sky Ranch	3,778,300	3,768,000	3,778,300
Other long-term assets	2,481,300	6,438,100	(3,956,800)
Total assets	<u>\$ 108,489,700</u>	<u>\$ 108,618,300</u>	<u>\$ (128,600)</u>
<u>Liabilities and Shareholders' Equity</u>			
Current liabilities	\$ 1,374,300	\$ 733,400	\$ 640,900
Current portion of mortgages payable	3,511,700	4,668,900	(1,157,200)
Tap participation fee payable to HP A&M	24,632,100	59,807,300	(35,175,200)
Other long-term liabilities	6,152,000	5,636,200	515,800
Total liabilities	35,670,100	70,845,800	(35,175,700)
Total shareholders' equity	72,819,600	37,772,500	35,047,100
Total liabilities and shareholders' equity	<u>\$ 108,489,700</u>	<u>\$ 108,618,300</u>	<u>\$ (128,600)</u>

We will host a conference call on Thursday April 17, 2014 at 4PM Eastern (2PM Mountain) to discuss these results. Call details are below. Additionally, we 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 DETAILS

When: 4PM Eastern on Thursday April 17, 2014

Call in number: 1-855-241-1929 (no pass codes required)

Replay available until: April 24, 2014

Replay call in number: 1-855-859-2056

Passcode: 28250018

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and other applicable securities laws. Forward-looking statements are all statements, other than statements of historical facts, including in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially. Factors that could cause actual results to differ from projected results include the risk factors discussed in Part I, Item 1A of our most recent Annual Report on Form 10-K and those factors discussed from time to time in our press releases, public statements and documents filed or furnished with the U.S. Securities and Exchange Commission. Although we have attempted to identify important factors that could cause actual results to differ materially from those described in forward-looking statements, there may be other factors that cause results not to be as anticipated or intended. Except as required by law, we disclaim any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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, including the design, construction, operation and maintenance of water and wastewater systems, to wholesale customers, which are local governmental entities who provide water and wastewater services to their end-use customers located in the greater Denver metropolitan area. Pure Cycle also owns approximately 16,200 acres in Southeastern Colorado that are leased to area farmers.

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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Source: Pure Cycle Corporation