

July 7, 2015



Pure Cycle Corporation Announces Third Fiscal Quarter 2015 Financial Results

DENVER, CO -- (Marketwired) -- 07/07/15 -- Pure Cycle Corporation (NASDAQ: PCYO) today reported financial results for the nine months ended May 31, 2015. Basic and diluted loss per share decreased 100% from a loss of \$.07 per share last year to a loss of less than \$.01 per share this year.

"We are very excited to start receiving oil royalties related to two wells from our Sky Ranch property and look forward to having an ongoing income stream," commented Mark Harding, President of Pure Cycle Corporation. "We continue to monetize our assets and develop infrastructure investments that add value to our land and water assets."

The following table summarizes approximate results of operations for the nine months ended May 31, 2015 and 2014:

	Nine Months Ended May 31,			% Change
	2015	2014	\$ Change	
Industrial water used for fracking	\$ 782,700	\$ 932,700	\$ (150,000)	-16%
Water & wastewater	148,300	129,400	18,900	15%
Farm operations	818,900	855,700	(36,800)	-4%
Other	131,300	75,100	56,200	75%
Total Revenues	1,881,200	1,992,900	(111,700)	-6%
Cost of revenues	(561,700)	(538,900)	(22,800)	4%
Gross margin	1,319,500	1,454,000	(134,500)	-9%
Operating expenses:				
General and administrative	(1,785,100)	(2,153,200)	368,100	-17%
Other	(128,100)	(30,100)	(98,000)	326%
Loss from operations	(593,700)	(729,300)	135,600	-19%
Other (expense) income:				
Interest on TPF and Convertible Debt	(23,800)	(1,309,100)	1,285,300	-98%
Other income	794,000	530,500	263,500	50%
Other expenses	(221,900)	(175,800)	(46,100)	26%
Net loss	\$ (45,400)	\$ (1,683,700)	\$ 1,638,300	-97%
Loss per share	*	\$ (0.07)	\$ 0.07	-100%

* Amount is less than \$(0.01) per share

Revenues decreased approximately 6% during the our nine months ended May 31, 2015 compared to our nine months ended May 31, 2014 primarily as a result of decreased water sales used for fracking.

Our summarized approximate financial position as of May 31, 2015 and August 31, 2014 is as follows:

	<u>May 31, 2015</u>	<u>August 31, 2014</u>	<u>\$ Change</u>
<u>Assets</u>			
Cash, cash equivalents and marketable securities	\$ 743,400	\$ 1,749,600	\$ (1,006,200)
Other current assets	1,278,400	2,713,700	(1,435,300)
Total current assets	2,021,800	4,463,300	(2,441,500)
Investments in water and water systems, net	94,944,400	90,823,900	4,120,500
Land - Sky Ranch	3,660,000	3,662,800	(2,800)
Other long-term assets	2,268,700	9,223,800	(6,955,100)
Total assets	<u>\$ 102,894,900</u>	<u>\$ 108,173,800</u>	<u>\$ (5,278,900)</u>
<u>Liabilities and Shareholders' Equity</u>			
Current liabilities	\$ 1,626,000	\$ 2,348,400	\$ (722,400)
Current portion of mortgages payable	848,300	926,000	(77,700)
Tap participation fee payable to HP A&M	-	7,935,300	(7,935,300)
Other long-term liabilities	7,355,100	5,933,600	1,421,500
Total liabilities	9,829,400	17,143,300	(7,313,900)
Total shareholders' equity	93,065,500	91,030,500	2,035,000
Total liabilities and shareholders' equity	<u>\$ 102,894,900</u>	<u>\$ 108,173,800</u>	<u>\$ (5,278,900)</u>

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, included in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future, such as statements about the impact of the settlement of the litigation with HP A&M, the continued monetization and value of our water assets, and the conclusion of the sale of our agricultural portfolio. 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, without limitation, future water supply needs in Colorado, future water prices, the possibility that we may be unable to obtain shareholder approval of the sale transaction, the buyer may conclude it is not satisfied with the results of its due diligence, the parties may not be able to satisfy the other conditions to closing the transaction, 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 to customers located in the Denver metropolitan area including the design, construction, operation and maintenance of water and wastewater systems. Pure Cycle also owns approximately 14,600 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