

## Pure Cycle Corporation Announces First Fiscal Quarter 2016 Financial Results

Denver, Colorado – January 6, 2016 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) today reported financial results for its fiscal quarter ended November 30, 2015.

“We are pleased to report our results for the three months ended November 30, 2015. During the first quarter we continued our focus on the remaining items related to our farm sales, and subsequent to the quarter, resolved the remaining items and obtained the release of the remaining \$1.3 million in sale proceeds. With our strong liquidity position our focus will be to expand our wholesale water and wastewater utility operations both organically through development of our Sky Ranch property, as well as through local acquisitions of systems in need of additional water supplies,” commented Mark Harding, President of Pure Cycle Corporation.

The following table summarizes results of operations for the three months ended November 30, 2015 and 2014:

	Three Months Ended November 30,		\$ Change	% Change
	2015	2014		
Water & wastewater	\$ 67,100	\$ 51,900	\$ 15,200	29%
Industrial water used for fracking	-	451,600	(451,600)	-100%
Farm operations	212,200	263,800	(51,600)	-20%
Other	58,900	66,500	(7,600)	-11%
<b>Total Revenues</b>	<b>338,200</b>	<b>833,800</b>	<b>(495,600)</b>	<b>-59%</b>
Cost of revenues	(147,600)	(223,200)	75,600	-34%
<b>Gross margin</b>	<b>190,600</b>	<b>610,600</b>	<b>(420,000)</b>	<b>-69%</b>
Operating expenses:				
General and administrative	(578,300)	(647,500)	69,200	-11%
Other	(52,900)	(35,400)	(17,500)	49%
<b>Loss from operations</b>	<b>(440,600)</b>	<b>(72,300)</b>	<b>(368,300)</b>	<b>509%</b>
Other (expense) income:				
Oil and gas lease and royalty income, net	283,600	161,400	122,200	76%
Other income	63,800	9,500	54,300	572%
Other expenses	(4,300)	(88,300)	84,000	-100%
<b>Net income (loss)</b>	<b>\$ (97,500)</b>	<b>\$ 10,300</b>	<b>\$ (107,800)</b>	<b>-1047%</b>
<b>Income (loss) per share</b>	<b>*</b>	<b>*</b>	<b>*</b>	

(\*) Amount is less than \$.01

Revenues decreased approximately 59% to approximately \$338,200 during our fiscal quarter 2016 attributable to a decrease in frack water sales.

Our summarized financial position as of November 30, 2015 and August 31, 2015 is as follows:

	November 30, 2015	August 31, 2015	\$ Change
<b>Assets</b>			
Cash, cash equivalents and marketable securities	\$ 35,510,400	\$ 37,089,000	\$ (1,578,600)
Other current assets	3,001,700	2,491,900	509,800
Total current assets	38,512,100	39,580,900	(1,068,800)
Investments in water and water systems, net	27,647,900	27,708,600	(60,700)
Land and mineral interests	5,092,200	5,091,700	500
Other long-term assets	920,000	679,700	240,300
Total assets	\$ 72,172,200	\$ 73,060,900	\$ (888,700)
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities	\$ 674,600	\$ 1,499,100	\$ (824,500)
Other long-term liabilities	1,455,900	1,476,300	(20,400)
Total liabilities	2,130,500	2,975,400	(844,900)
Total shareholders' equity	70,041,700	70,085,500	(43,800)
Total liabilities and shareholders' equity	\$ 72,172,200	\$ 73,060,900	\$ (888,700)

### 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 this press release that address activities, events or developments that we expect or anticipate will or may occur in the future, such as the transformative nature of the sale of our farms, the focus on our water utility assets, and our position to take advantage of new opportunities to expand our water services. 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 the State of Colorado in the Denver, Colorado metropolitan area. Pure Cycle provides wholesale 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 or at [info@purecyclewater.com](mailto:info@purecyclewater.com).