

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

Denver, Colorado – July 6, 2016 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) today reported financial results for its third fiscal quarter ended May 31, 2016.

“We are pleased to report our results for the three and nine months ended May 31, 2016. During the three months ended May 31, 2016 we completed a ten million gallon reclaimed water storage pond on the Lowry Range and the connection to the WISE system,” commented Mark Harding, President of Pure Cycle Corporation.

The following table summarizes results of operations for the three and nine months ended May 31, 2016 and 2015:

	In 000's (except per share)			
	Three Months Ended May 31,		Nine Months Ended May 31,	
	2016	2015	2016	2015
Revenues	\$ 101	\$ 120	\$ 303	\$ 1,062
Cost of revenues	(135)	(139)	(388)	(491)
Gross margin	(34)	(19)	(85)	571
Operating expenses:				
General and administrative	(432)	(384)	(1,294)	(1,167)
Other	(67)	(45)	(183)	(128)
Loss from operations	(533)	(448)	(1,562)	(724)
Other income (expense):				
Oil and gas royalties and lease income, net	108	423	626	746
Other income (expense)	(2)	13	(8)	18
Interest income	66	6	175	12
Net (loss) from continuing operations	(361)	(6)	(769)	52
Net income (loss) from discontinued operations	(61)	36	(22)	(97)
Net (loss) after taxes	\$ (422)	\$ 30	\$ (791)	\$ (45)
Loss per share	\$ (0.02)	*	\$ (0.03)	*

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

Revenues decreased approximately 16% and 71% during the three and nine months ended May 31, 2016 compared to the three and nine months ended May 31, 2015, respectively. The decreases are attributable to a decrease in frack water sales.

Our summarized financial position as of May 31, 2016 and August 31, 2015 is as follows:

	In 000's		\$ Change
	May 31, 2016	August 31, 2015	
<b>Assets</b>			
Cash, cash equivalents and short-term investments	\$ 28,263	\$ 37,089	\$ (8,826)
Other current assets	1,327	2,492	(1,165)
Total current assets	29,590	39,581	(9,991)
Long-term investments	7,034	-	7,034
Investments in water and water systems, net	27,969	27,708	261
Land and mineral interests	5,271	5,092	179
Other long-term assets	1,259	680	579
Total assets	\$ 71,123	\$ 73,061	\$ (1,938)
<b>Liabilities and Shareholders' Equity</b>			
Current liabilities	\$ 270	\$ 1,499	\$ (1,229)
Other long-term liabilities	1,414	1,476	(62)
Total liabilities	1,684	2,975	(1,291)
Total shareholders' equity	69,439	70,086	(647)
Total liabilities and shareholders' equity	\$ 71,123	\$ 73,061	\$ (1,938)

## 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, 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).