

Pure Cycle Corporation Announces Fiscal Year and Fourth Quarter Ended 2016 Financial Results

Denver, Colorado – October 27, 2016 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) today reported financial results for its fiscal year ended August 31, 2016.

“We are pleased to report our results for Fiscal and Fourth Quarter 2016. Fiscal Year 2016 was highlighted by a number of infrastructure additions to our water systems and the start of development of our Sky Ranch property. We completed a ten million gallon reclaimed water storage pond and completed the connection to the WISE system” commented Mark Harding, President of Pure Cycle Corporation. “We also obtained preliminary approval on the first phase development of our Sky Ranch property and we are working on a pipeline project that will interconnect our systems and bring water to our Sky Ranch property.” continued Mr. Harding.

We will host a conference call on Tuesday November 1, 2016, at 3PM Eastern (1PM Mountain) to discuss these results. Call details are below. Additionally, we will post a detailed slide presentation which overviews the Company and presents summary financial results on our website which can be accessed at www.purecyclewater.com.

The following table summarizes results of operations for the quarters and fiscal years ended August 31, 2016 and 2015:

	Period Ended August 31, In 000's (except per share)			
	Quarter		Fiscal Year	
	2016	2015	2016	2015
Revenues	\$ 149	\$ 135	\$ 452	\$ 1,197
Cost of revenues	(141)	(269)	(529)	(760)
Gross margin	8	(134)	(77)	437
Operating expenses:				
General and administrative	(556)	(772)	(1,850)	(1,939)
Other	(70)	(47)	(253)	(175)
Loss from operations	(618)	(953)	(2,180)	(1,677)
Other (expense) income:				
Oil and gas royalties and lease income, net	79	313	705	1,059
Other income	12	4	4	22
Interest income	66	9	241	21
Net loss from continuing operations	(461)	(627)	(1,230)	(575)
Net loss from discontinued operations	(58)	(22,163)	(80)	(22,260)
Net loss before taxes	(519)	(22,790)	(1,310)	(22,835)
Taxes	-	(293)	-	(293)
Net loss after taxes	\$ (519)	\$ (23,083)	\$ (1,310)	\$ (23,128)
Loss per share	\$ (0.03)	\$ (0.96)	\$ (0.06)	\$ (0.96)

Revenues decreased approximately 67% and 62% during the three and twelve months ended August 31, 2016 compared to the three and twelve months ended August 31, 2015, respectively. The decreases are attributable to a decrease in frack water sales.

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

	August 31, In 000's		
	2016	2015	\$ Change
Assets			
Cash, cash equivalents and marketable securities	\$ 27,873	\$ 37,089	\$ (9,216)
Other current assets	1,213	2,492	(1,279)
Total current assets	29,086	39,581	(10,495)
Long-term investments	6,853	-	6,853
Investments in water and water systems, net	28,322	27,708	614
Land and mineral interests	5,346	5,092	254
Other long-term assets	1,273	680	593
Total assets	\$ 70,880	\$ 73,061	\$ (2,181)
Liabilities and Shareholders' Equity			
Current liabilities	\$ 482	\$ 1,499	\$ (1,017)
Other long-term liabilities	1,400	1,476	(76)
Total liabilities	1,882	2,975	(1,093)
Total shareholders' equity	68,998	70,086	(1,088)
Total liabilities and shareholders' equity	\$ 70,880	\$ 73,061	\$ (2,181)

CALL DETAILS

When: 3PM Eastern on Tuesday November 1, 2016
 Call in number: 1-855-241-1929 (conference ID: 9507554)
 International Call in number: 1-443-295-9247
 Replay available until: November 8, 2016
 Replay call in number: 1-855-859-2056 (conference ID: 9507554)

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, or you may contact our President, Mark W. Harding, at 303-292-3456 or at info@purecyclewater.com.