

Pure Cycle Corporation Announces Second Quarter Fiscal 2013 Financial Results

Denver, Colorado – April 12, 2013 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) announced the following summary results of operations:

Summary Statements

Our summarized results of operations for the six months ended February 28, 2013 and February 29, 2012 are as follows:

	Six Months Ended (Unaudited)		\$ Change	% Change
	February 28, 2013	February 29, 2012		
Revenues	\$ 872,900	\$ 117,500	\$ 755,400	643%
Cost of revenues	(197,300)	(86,400)	(110,900)	128%
Gross margin	675,600	31,100	644,500	2072%
Operating expenses:				
General and administrative	(1,141,700)	(1,183,200)	41,500	-4%
Other	(109,800)	(108,500)	(1,300)	1%
Loss from operations	(575,900)	(1,260,600)	684,700	-54%
Other (expense) income:				
Interest on TPF and Convertible Debt	(1,544,800)	(1,713,800)	169,000	-10%
Other	128,600	249,100	(128,600)	-52%
Net loss	\$ (1,992,100)	\$ (2,725,300)	\$ 725,100	-27%
Weighted average shares outstanding (basic and diluted)				
	24,037,596	24,037,596		
Loss per share	\$ (0.08)	\$ (0.11)		

Our summarized financial position as of February 28, 2013 and August 31, 2012 is as follows:

	February 28, 2013		\$ Change
	(Unaudited)	August 31, 2012	
Assets			
Cash, cash equivalents and marketable securities	\$ 4,428,000	\$ 2,724,900	\$ 1,703,100
Other current assets	7,132,500	4,936,900	2,195,600
Total current assets	11,560,500	7,661,800	3,898,700
Investments in water and water systems, net	88,485,000	88,510,400	(25,400)
Land - Sky Ranch	3,773,200	3,778,500	3,773,200
Other long-term assets	6,503,500	11,631,400	(5,127,900)
Total assets	\$ 110,322,200	\$ 111,582,100	\$ (1,259,900)
Liabilities and Shareholders' Equity			
Current liabilities	\$ 1,030,600	\$ 913,900	\$ 116,700
Current portion of mortgages payable	5,232,200	5,340,900	(108,700)
Tap participation fee payable to HP A&M	69,813,900	68,269,200	1,544,700
Other long-term liabilities	6,095,700	6,940,300	(844,600)
Total liabilities	82,172,400	81,464,300	708,100
Total shareholders' equity	28,149,800	30,117,800	(1,968,000)
Total liabilities and shareholders' equity	\$ 110,322,200	\$ 111,582,100	\$ (1,259,900)

Summary of Significant Events and Changes

Revenues increased approximately 640% during the first six months of our fiscal 2013 attributable to (i) increased water sales due to delivery of frack water to the area; and, (ii) we assumed management of our farms and began receiving 100% of the income generated from our agricultural farm operations when, as of August 31, 2012, we terminated a property management agreement with High Plains A&M, LLC (“HP A&M”), after HP A&M defaulted on certain promissory notes due to third parties.

Levels of cash, cash equivalents and marketable securities increased as a result of the foreclosure sale of 1.5 million shares of Pure Cycle common stock owned by HP A&M pledged to secure the payment and performance by HP A&M of the promissory notes described above, which were partially offset by cash payments to acquire certain of the promissory notes defaulted upon by HP A&M.

Industrial Water Sales

In January we entered into a Water Supply Agreement with Select Energy Services (“SES”) to provide water for use to drill and frack oil and gas wells in and around our service area. 3 wells were drilled in 2012 and to date in 2013 3 wells have been drilled with an additional well under development near our service area. We provided a portion of the water needed to frack the wells drilled to date to SES, and are supplying a portion of the water to SES for the well currently being developed.

We will host a conference call on Tuesday April 16, 2013 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 Tuesday April 16, 2013
Call in number:	1-877-307-1379 (no pass codes required)
Replay available until:	April 23, 2013
Replay call in number:	1-800-585-8367
Passcode:	36678216

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.

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.