

Pure Cycle Corporation Announces Second Fiscal Quarter 2015 Financial Results and Definitive Proxy Statement

Denver, Colorado – April 8, 2015 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) today reported financial results for the six months ended February 28, 2015. Basic and diluted loss per share was less than \$.01 compared to a loss of \$.05 per share last year. Additionally, the Company has filed its definitive proxy statement on Schedule 14A relating to the sale of its agricultural holdings, which can be accessed on the SEC website as well as the Company’s web site.

“Several significant events occurred in our second quarter including the settlement of our remaining litigation with High Plains A&M, LLC (“HP A&M”), which we believe resulted in a positive outcome for the Company and our shareholders; the completion and production of two oil wells (which are pooled with other lands) that were developed on the Company’s approximately 640 acres of mineral estate at Sky Ranch, and the continued monetization of our valuable water assets,” commented Mark Harding, President of Pure Cycle Corporation.

“As previously announced, subsequent to the end of the quarter we also reached an agreement to sell our agricultural portfolio for \$53 million, subject to shareholder approval and due diligence by the buyer, and we look forward to working with the buyer during its diligence and to the conclusion of this transaction,” continued Mr. Harding.

The following table summarizes results of operations for the six months ended February 28, 2015 and 2014:

	Six Months Ended February 28,		\$ Change	% Change
	2015	2014		
Industrial water used for fracking	\$ 741,900	\$ 654,600	\$ 87,300	13%
Water & wastewater	103,300	81,900	21,400	26%
Farm operations	548,300	526,900	21,400	4%
Other	96,800	51,000	45,800	90%
Total Revenues	1,490,300	1,314,400	175,900	13%
Cost of revenues	(398,900)	(364,800)	(34,100)	9%
Gross margin	1,091,400	949,600	141,800	15%
Operating expenses:				
General and administrative	(1,260,400)	(1,304,900)	44,500	-3%
Other	(83,400)	(22,900)	(60,500)	264%
Loss from operations	(252,400)	(378,200)	125,800	-33%
Other (expense) income:				
Interest on Tap Participation Fee	(23,800)	(1,060,200)	1,036,400	-98%
Other income	343,600	260,400	83,200	32%
Other expenses	(143,100)	(124,500)	(18,600)	-100%
Net income (loss)	\$ (75,700)	\$ (1,302,500)	\$ 1,226,800	-94%
Income (loss) per share	*	\$ (0.05)	\$ 0.04	80%

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

Revenues increased approximately 13% during our six months ended February 28, 2015, compared to our six months ended February 28, 2014, primarily as a result of increased water sales used for fracking.

Our summarized financial position as of February 28, 2015, and August 31, 2014, is as follows:

	February 28, 2015	August 31, 2014	\$ Change
Assets			
Cash, cash equivalents and marketable securities	\$ 834,300	\$ 1,749,600	\$ (915,300)
Other current assets	1,229,300	2,713,700	(1,484,400)
Total current assets	2,063,600	4,463,300	(2,399,700)
Investments in water and water systems, net	95,001,600	90,823,900	4,177,700
Land - Sky Ranch	3,659,300	3,662,800	3,659,300
Other long-term assets	2,240,400	9,223,800	(6,983,400)
Total assets	\$ 102,964,900	\$ 108,173,800	\$ (5,208,900)
Liabilities and Shareholders' Equity			
Current liabilities	\$ 1,408,900	\$ 2,348,400	\$ (939,500)
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	7,726,100	5,933,600	1,792,500
Total liabilities	9,983,300	17,143,300	(7,160,000)
Total shareholders' equity	92,981,600	91,030,500	1,951,100
Total liabilities and shareholders' equity	\$ 102,964,900	\$ 108,173,800	\$ (5,208,900)

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.