

Pure Cycle Corporation Announces Third Fiscal Quarter 2014 Financial Results

Denver, Colorado – July 14, 2014 – Pure Cycle Corporation (NASDAQ Capital Market: PCYO) today reported financial results for the nine months ended May 31, 2014. Basic and diluted loss per share decreased 46% from a loss of \$.13 per share last year to \$.07 per share this year.

“We continue to enhance shareholder value through strong growth in water sales to our customers,” commented Mark Harding, President of Pure Cycle Corporation. “We are very excited about the addition of three wells (two of which have been drilled) and a 400,000 barrel capacity storage pond to our system. These additions will enable us to keep pace with increased demands.”

The following table summarizes approximate results of operations for the nine months ended May 31, 2014 and 2013:

	Nine Months Ended May 31,		\$ Change	% Change
	2014	2013		
Industrial water used for fracking	\$ 932,700	\$ 136,500	\$ 796,200	583%
Water & wastewater	129,400	135,500	(6,100)	-5%
Farm operations	855,700	963,900	(108,200)	-11%
Other	75,100	50,400	24,700	49%
Total Revenues	1,992,900	1,286,300	706,600	55%
Cost of revenues	(538,900)	(311,800)	(227,100)	73%
Gross margin	1,454,000	974,500	479,500	49%
Operating expenses:				
General and administrative	(2,153,200)	(1,602,100)	(551,100)	34%
Other	(30,100)	(165,300)	135,200	-82%
Loss from operations	(729,300)	(792,900)	63,600	-8%
Other (expense) income:				
Interest on TPF and Convertible Debt	(1,309,100)	(2,416,600)	1,107,500	-46%
Other income	530,500	341,400	189,100	55%
Other expenses	(175,800)	(176,800)	1,000	-1%
Net loss	\$ (1,683,700)	\$ (3,044,900)	\$ 1,361,200	-45%
Loss per share	\$ (0.07)	\$ (0.13)	\$ 0.06	-46%

Revenues increased approximately 55% during the our nine months ended May 31, 2014 compared to our nine months ended May 31, 2013 primarily as a result of increased water sales used for fracking.

Our summarized approximate financial position as of May 31, 2014 and August 31, 2013 is as follows:

	May 31, 2014	August 31, 2013	\$ Change
Assets			
Cash, cash equivalents and marketable securities	\$ 2,876,100	\$ 2,448,400	\$ 427,700
Other current assets	9,986,200	7,451,600	2,534,600
Total current assets	12,862,300	9,900,000	2,962,300
Investments in water and water systems, net	89,477,300	88,512,200	965,100
Land - Sky Ranch	3,665,300	3,768,000	(102,700)
Other long-term assets	652,700	6,438,100	(5,785,400)
Total assets	\$ 106,657,600	\$ 108,618,300	\$ (1,960,700)
Liabilities and Shareholders' Equity			
Current liabilities	\$ 1,908,200	\$ 733,400	\$ 1,174,800
Current portion of mortgages payable	1,185,200	4,668,900	(3,483,700)
Tap participation fee payable to HP A&M	13,162,800	59,807,300	(46,644,500)
Other long-term liabilities	6,175,900	5,636,200	539,700
Total liabilities	22,432,100	70,845,800	(48,413,700)
Total shareholders' equity	84,225,500	37,772,500	46,453,000
Total liabilities and shareholders' equity	\$ 106,657,600	\$ 108,618,300	\$ (1,960,700)

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 in this press release that address activities, events or developments that we expect or anticipate will or may occur in the future. Investors are cautioned that forward-looking statements are inherently uncertain and involve risks and uncertainties that could cause actual results to differ materially.

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, including the design, construction, operation and maintenance of water and wastewater systems, to wholesale customers, which are local governmental entities who provide water and wastewater services to their end-use customers located in the greater Denver metropolitan area. Pure Cycle also owns approximately 14,900 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.