

# **Biloxi Marsh Lands Corporation**

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## **Biloxi Marsh Lands Corporation Announces Unaudited Results for the First Quarter of 2013 and provides update**

Metairie, LA., May 10, 2013 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announces its unaudited results for the first quarter of 2013 and provides update. The Company's revenue for the three months ending March 31, 2013 from oil and gas production for its fee lands was \$150,548 compared to revenue of \$125,278 in 2012.

During the first quarter of 2013, total revenues included a \$92,980 loss emanating from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$572,333 from B&L for the first quarter of 2012. As an operating oil and gas entity, B&L's results included deductions for depreciation, depletion and amortization (DD&A) costs relating to its ongoing drilling and production activities. BLMC's share of these DD&A expenses was \$229,948 and \$179,124 for the first quarter of 2013 and 2012, respectively.

Meanwhile, dividend and interest income for the first three months of 2013 was \$43,503, compared to \$41,142 for the first three months of 2012. During the first quarter of 2013, the Company realized a cumulative gain from the sale of investment securities of \$737,980 compared to a cumulative gain in the amount of \$13,711 for the same period in 2012. Meanwhile, for the quarter, total expenses were \$244,456 compared to \$253,653 for the prior year. For the first quarter of 2013, the Company had net income of \$438,544 or \$.16 per share compared to a net loss of \$350,742 or \$.13 per share in 2012.

As of March 31, 2013, the combined gross daily production rate from 4 wells operated by the Company's mineral lessees was approximately 3.7 million cubic feet (mmcf) of natural gas with net daily production accruing to the Company of approximately .465 mmcf. As of March 31, 2013, B&L's net production breakdown was approximately 1.0 mmcf and 43 barrels of oil per day from 6 wells.

As of March 31, 2013, McMoRan Exploration Co. (NYSE:MMR) continued to drill its Lomond North Well and had reached a depth of approximately 18,400 feet measured depth. As previously reported, B&L has been assigned and is contractually entitled to a 1.5% of 8/8ths overriding royalty interest in the Lomond North prospect exploratory well and in all mineral leases obtained by MMR in this approximately 80,000 gross acre Highlander area located in Iberia, St. Martin, Assumption and Iberville Parishes, Louisiana.

As previously reported, during the June 20, 2012 Central Gulf of Mexico Lease Sale, B&L was the high bidder and successfully obtained the mineral rights to Eugene Island Block 74. Based on B&L's recently commissioned independent reservoir engineer's study, this lease block is projected to contain significant natural gas and oil Proved Undeveloped (PUD) reserves with significant additional upside potential in undrilled fault blocks. B&L currently

holds a 60% working interest in Eugene Island Block 74, and it will be necessary to drill wells to access the PUD reserves and additional upside potential. B&L is seeking partners to develop this offshore lease block and hopes to commence drilling operations during 2014.

As previously reported, B&L is actively assembling additional prospective acreage on which to explore, exploit and develop the acreage's mineral interest. The goal is to place a portion of the working interests with third party industry partners in an effort to mitigate risk. Due to this strategic shift, B&L has not participated in the drilling of any new wells during 2013.

B&L's acquisition of approximately 50 square miles or approximately 30,000 acres of mineral and surface rights in Calhoun and Victoria County, Texas is identified as B&L's Lago Verde 3D Seismic Project. As previously reported, B&L successfully placed a significant working interest in its Lago Verde project with the Bass Group with main offices in Fort Worth, Texas. B&L, as operator, completed acquiring field data during the first quarter of 2013 and is now awaiting completion of 3D data processing. While there is no guarantee that the 3D seismic data will reveal any prospects to drill, B&L's management is hopeful that drilling should commence during the fourth quarter of 2013. BOPCO, the operating company for the Bass Group, will operate any wells that may be drilled within this Lago Verde project area. B&L retained a 33.5% working interest in the Lago Verde project.

B&L was organized as a limited liability Company (LLC) under the laws of Louisiana in July of 2006. B&L's Class A members are BLMC and Lake Eugenie Land & Development, Inc. (LKEU), which have membership percentages of 75% and 25% respectively. The Operating Agreement was amended on November 16, 2009 to create a Class B membership to allow for certain future projects at the discretion of the board of managers to be participated by either Class A or Class B members or a combination of the respective Classes. B&L's Class B members are BLMC and LKEU, which have membership percentages of 90% and 10%, respectfully. In December 2012, the members approved the consolidation of all the membership classes into a single class of membership, consistent with the Class A membership. All appropriate actions were taken according to the terms of the operating agreement with respect to the consolidation. Effective January 1, 2013, BLMC and LKEU have membership percentages of 75% and 25%, respectively.

During its meeting held on Thursday, April 25, 2013, the Board of Directors voted to extend and increase the stock buyback program by authorizing the purchase of an additional 27,000 shares of its outstanding common stock. Combining this additional authorization with the 2,100 shares remaining under the prior buyback program, the Company has authorization to purchase a total of 29,100 shares of common stock under the program. The purchases will be made from time to time on the open market at the sole discretion of the Company. All shares purchased will be held as Treasury stock.

William B. Rudolf, President and CEO, commented: "We are encouraged by the recent increase in natural gas prices and are hopeful that the current pricing regime will hold through the summer months. Our partially owned subsidiary, B&L, has an interest in MMR's Lomond North well with a projected total depth of over 30,000' TVD which is the only well that is currently being drilled in which B&L has an interest. If successful this could be a significant asset for B&L and the Company. Meanwhile, we are excited about B&L's projects and hopeful that B&L's drilling program will pick up during the second half of 2013 and into 2014. We continue to actively work on developing both shallow and deep prospects on the Company's property, particularly our deep Tuscaloosa Project."

The Company maintains a website, [www.biloximarshlandscorp.com](http://www.biloximarshlandscorp.com), and strongly recommends that all investors and interested parties visit the website to view historical press releases, historical financial statements, and other relevant information.

Biloxi Marsh Lands Corporation owns approximately 90,000 acres of marsh lands located in St. Bernard Parish, Louisiana. As the landowner, it derives revenues from oil and gas exploration and production activities that take place on or near the Company's land. The Company also derives revenues and expenses from its ownership interest in B&L Exploration, LLC and minimal revenues from surface rentals.

This news release contains forward-looking statements regarding oil and gas discoveries, oil and gas exploration, development and production activities and reserves. Accuracy of the forward-looking statements depends on assumptions about events that change over time and is thus susceptible to periodic change based on actual experience and new developments. The Company cautions readers that it assumes no obligation to update or publicly release any revisions to the forward-looking statements in this report. Important factors that might cause future results to differ from these forward-looking statements include: variations in the market prices of oil and natural gas; drilling results; unanticipated fluctuations in flow rates of producing wells; oil and natural gas reserves expectations; the ability to satisfy future cash obligations and environmental costs; and general exploration and development risks and hazards. Readers are cautioned not to place undue reliance on forward-looking statements made by or on behalf of the Company. Each such statement speaks only as of the day it was made. The factors described above cannot be controlled by the Company. When used in this report, the words "believes", "estimates", "plans", "expects", "should", "outlook", and "anticipates" and similar expressions as they relate to the Company or its management are intended to identify forward-looking statements.

The following "Statements of Assets, Liabilities and Stockholders' Equity" and "Statements of Revenues and Expenses" have been derived from interim un-audited financial statements which do not include the information and footnotes that are an integral part of a complete financial statement.

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**BILOXI MARSH LANDS CORPORATION**

Statements of Assets, Liabilities, and Stockholders' Equity

March 31, 2013 and 2012

Assets	2013	2012
Current assets:		
Cash and cash equivalents	\$ 2,167,515	2,721,105
Accounts receivable	75,298	94,293
Prepaid expenses	23,773	24,340
Accrued interest receivable	21,770	28,683
Deferred tax asset	426,345	1,040,704
Federal income taxes receivable	—	16,136
State income taxes receivable	—	2,157
Other assets	3,830	3,830
Total current assets	2,718,531	3,931,248
Other assets:		
Investment in partnership	2,478,274	763,525
Marketable debt and equity securities - at cost	9,992,297	10,932,231
Land	234,939	234,939
Levees and office furniture and equipment	307,323	299,574
Accumulated depreciation	(303,454)	(299,574)
Total other assets	12,709,379	11,930,695
Total assets	\$ 15,427,910	15,861,943
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Income taxes payable	\$ 141,440	—
Accrued expenses	25,187	76,685
Other current liabilities	4,608	4,410
Total current liabilities	171,235	81,095
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,716,028 and 2,733,028 shares in 2013 and 2012, respectively	47,520	47,520
Retained earnings	15,650,615	16,000,971
Treasury stock - 135,168 and 118,168 shares in 2013 and 2012, respectively, at cost	(441,460)	(267,643)
Total liabilities and stockholders' equity	\$ 15,427,910	15,861,943

**BILOXI MARSH LANDS CORPORATION**

## Statements of Revenues and Expenses

March 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Revenues:		
Oil and gas royalties	\$ 159,132	\$ 134,887
Severance taxes	<u>(8,584)</u>	<u>(9,609)</u>
Oil and gas royalties, net	<u>150,548</u>	<u>125,278</u>
Other (loss) income:		
Income (loss) from investment in partnership	(92,980)	(572,333)
Dividends and interest income	43,503	41,142
Gain on sale of securities	737,980	13,711
Other	<u>6,150</u>	<u>68,216</u>
Total other (loss) income	<u>694,653</u>	<u>(449,264)</u>
Total revenues and income	<u>845,201</u>	<u>(323,986)</u>
Expenses:		
Total expenses	<u>244,456</u>	<u>253,653</u>
Net (loss) income before income taxes	600,745	(577,639)
Income tax (benefit) expense	<u>162,201</u>	<u>(226,897)</u>
Net (loss) income	<u>\$ 438,544</u>	<u>(350,742)</u>
Net (loss) income per share	\$ 0.16	\$ (0.13)