

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Unaudited Results for the Third Quarter and first Nine Months of 2013 and provides update

Metairie, LA., November 1, 2013 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announces its unaudited results for the third quarter and first nine months of 2013 and provides update. Revenue for the three months ending September 30, 2013 from oil and gas production from its fee lands was \$133,407 compared to revenue of \$153,715 for the third quarter of 2012. For the first nine months of 2013, revenue generated from the Company's fee lands increased to \$453,316 from \$368,651 for the same period in 2012.

For the third quarter and first nine months of 2013, total revenues were \$35,968 and \$1,730,353, respectively. During the third quarter of 2013, total revenues included a \$512,178 loss emanating from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$121,089 from B&L for the third quarter of 2012. Correspondingly, total revenue for the nine months ended September 30, 2013 includes a net loss of \$737,813 generated by B&L compared to a net loss of \$916,949 from B&L for the first nine months 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 \$706,472 and \$688,366 for the first nine months of 2013 and 2012, respectively.

Dividend and interest income for the first nine months of 2013 was \$126,726. This compares to \$131,624 for the first nine months of 2012. During the third quarter of 2013, the Company realized a cumulative gain from the sale of investment securities of \$361,108 compared to a cumulative gain in the amount of \$136,481 for the same period in 2012. For the first nine months of 2013, the cumulative gain from the sale of investment securities was \$1,857,999 compared to \$215,316 for the first nine months of 2012. Meanwhile, total expenses for the third quarter were \$193,637 compared to \$194,825 for the same period of the prior year. Total expenses for the first nine months of 2013 and 2012 were \$655,999 and \$635,418, respectively. The Company had a net loss of \$109,972 or \$.04 per share for the third quarter of 2013 compared to net income of \$22,710 or \$.01 per share in 2012. Meanwhile, for the first nine months of 2013, net income was \$932,933 or \$.34 per share compared to a net loss of \$452,209 or \$.17 per share for the same period of 2012.

As of September 30, 2013, the combined gross daily production rate from 4 wells operated by the Company's mineral lessees was approximately 3.01 million cubic feet (mmcf) of natural gas with net daily production accruing to the Company of approximately .364 mmcf.

As of September 30, 2013, B&L's net production breakdown was approximately 1.0 mmcfd and 43 barrels of oil per day from 6 wells.

According to public sources, as of October 28, 2013, Freeport-McMoRan Oil and Gas (FM O&G) a wholly owned subsidiary of Freeport-McMoRan Copper and Gold Inc. (NYSE:FCX), formerly McMoRan Exploration, Co. (NYSE:MMR), continued to drill its Lomond North Well and had reached a depth of approximately 26,882 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 (ORRI) in the Lomond North prospect exploratory well and in all mineral leases obtained by FM O&G (formerly MMR) in this approximately 80,000 gross acre Highlander project area located in Iberia, St. Martin, Assumption and Iberville Parishes, Louisiana.

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. In addition to the Lomond North well in which B&L has an ORRI, B&L participated in the drilling of the Williams C-4 ST1 well during the third quarter of 2013. On September 26, 2013 electric logs were run in the William C-4 ST1 well. Electric logs indicated approximately 22' of net oil pay sand in the "J" sand interval. In the subsequent flow test, the well flowed at a maximum rate of 665.9 barrels of oil per day (BOPD) and 0.0 barrels of water per day (BWPD), with flowing tubing pressure (FTP) of 1318 psi on a 13/64" choke. B&L has a 16.59% ground floor working interest in this well. Linder Oil Company, the Operator, advises that this well should be placed on production during the first quarter of 2014.

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. The Bass Group and B&L continue to work on developing prospects to drill. The preliminary evaluation of the processed 3D seismic data indicates multiple prospect leads. 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% ground floor working interest in the Lago Verde project. As of this time, it is anticipated that drilling operations on the Lago Verde project should commence during the first quarter of 2014 with a multi-well drilling program.

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.

William B. Rudolf, President and CEO, commented: "Continued lower natural gas prices has created a difficult business environment in which to attract oil and gas companies to drill on our fee lands. We are hopeful that natural gas prices will improve and will continue efforts to market our fee lands. Meanwhile, we are very pleased with log and flow test results on B&L's Williams C-4 ST1 well. This should be additive to B&L's proved reserves and 2014 revenues. Based on preliminary technical analysis of the 3D seismic data acquired in B&L's Lago Verde project area, we are hopeful that B&L will commence a multi-well drilling program on this project in 2014. Meanwhile, B&L's other projects continue to be of emphasis, notably its interest in FM O&G's Highlander Project Area and the Lomond North Well which is currently drilling below 26,000 feet."

The Company maintains a website, 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 and minimal revenues from surface rentals. The Company also derives revenues and expenses from its ownership interest in B&L Exploration, LLC (B&L).

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

September 30, 2013 and 2012

Assets	<u>2013</u>	<u>2012</u>
Current assets:		
Cash and cash equivalents	\$ 814,351	1,801,553
Accounts receivable	65,456	17,921
Prepaid expenses	59,888	55,380
Accrued interest receivable	23,707	28,681
Deferred tax asset	442,542	535,910
Federal income taxes receivable	—	16,136
State income taxes receivable	—	18,151
Other assets	3,830	3,830
Total current assets	<u>1,409,774</u>	<u>2,477,562</u>
Other assets:		
Investment in partnership	5,133,442	2,368,910
Marketable debt and equity securities - at cost	9,047,705	10,466,966
Land	234,939	234,939
Levees and office furniture and equipment	307,746	299,574
Accumulated depreciation	(304,975)	(299,574)
Total other assets	<u>14,418,857</u>	<u>13,070,815</u>
Total assets	<u>\$ 15,828,631</u>	<u>15,548,377</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	\$ 52,859	—
Accrued expenses	20,100	5,556
Other current liabilities	4,608	4,608
Total current liabilities	<u>77,567</u>	<u>10,164</u>
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,716,028 and and 2,719,178 shares in 2013 and 2012, respectively	47,520	47,520
Retained earnings	16,145,004	15,899,504
Treasury stock - 135,168 and 132,018 shares in 2013 and 2012, respectively, at cost	(441,460)	(408,811)
Total liabilities and stockholders' equity	<u>\$ 15,828,631</u>	<u>15,548,377</u>

BILOXI MARSH LANDS CORPORATION

Statements of Revenues and Expenses

September 30, 2013 and 2012

	3 Months Ended		9 Months Ended	
	September 30		September 30	
	2013	2012	2013	2012
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:				
Oil and gas royalties	\$ 140,154	\$ 157,696	\$ 476,870	\$ 390,738
Severance taxes	(6,747.00)	(3,981)	(23,554)	(22,087)
Oil and gas royalties, net	<u>133,407</u>	<u>153,715</u>	<u>453,316</u>	<u>368,651</u>
Other (loss) income:				
Loss from investment in partnership	(512,178)	(121,089)	(737,813)	(916,949)
Dividends and interest income	35,806	45,454	126,726	131,624
Gain on sale of securities	361,108	136,481	1,857,999	215,316
Surface rentals	11,675	12,175	11,675	12,175
Other	6,150	5,490	18,450	79,856
Total other (loss) income	<u>(97,439)</u>	<u>78,511</u>	<u>1,277,037</u>	<u>(477,978)</u>
Total revenues and income	<u>35,968</u>	<u>232,226</u>	<u>1,730,353</u>	<u>(109,327)</u>
Expenses:				
Total expenses	<u>193,637</u>	<u>194,825</u>	<u>655,999</u>	<u>635,418</u>
Net (loss) income before income taxes	(157,669)	37,401	1,074,354	(744,745)
Income tax (benefit) expense	<u>(47,697)</u>	<u>14,691</u>	<u>141,421</u>	<u>(292,536)</u>
Net (loss) income	<u>\$ (109,972)</u>	<u>22,710</u>	<u>\$ 932,933</u>	<u>(452,209)</u>
Net (loss) income per share	\$ (0.04)	\$ 0.01	\$ 0.34	\$ (0.17)