

# **Biloxi Marsh Lands Corporation**

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## **Biloxi Marsh Lands Corporation Announces Unaudited Results for the Second Quarter and first Six Months of 2013 and provides update**

Metairie, LA., August 9, 2013 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announces its unaudited results for the second quarter and first six months of 2013 and provides update. Revenue for the three months ending June 30, 2013 from oil and gas production from its fee lands was \$169,361 compared to revenue of \$89,658 for the second quarter of 2012. For the first six months of 2013, revenue generated from the Company's fee lands increased to \$319,909 from \$214,936 for the same period in 2012.

During the second quarter of 2013, total revenues included a \$132,655 loss emanating from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$223,527 from B&L for the second quarter of 2012. Correspondingly, total revenue for the six months ended June 30, 2013 includes a net loss of \$225,635 generated by B&L compared to a net loss of \$795,860 from B&L for the first six 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 \$453,868 and \$444,319 for the first six months of 2013 and 2012, respectively.

Dividend and interest income for the first six months of 2013 was \$90,920. This compares to \$86,170 for the first six months of 2012. During the second quarter of 2013, the Company realized a cumulative gain from the sale of investment securities of \$758,911 compared to a cumulative gain in the amount of \$65,124 for the same period in 2012. For the first six months of 2013, the cumulative gain from the sale of investment securities was \$1,496,891 compared to \$78,835 for the first six months of 2012. Meanwhile, total expenses for the second quarter were \$217,906 compared to \$186,940 for the same period of the prior year. Total expenses for the first six months of 2013 and 2012 were \$462,362 and \$440,593, respectively. The Company had net income of \$604,361 or \$.22 per share for the second quarter of 2013 compared to a net loss of \$124,177 or \$.05 per share in 2012. Meanwhile, for the first half of 2013, net income was \$1,042,905 or \$.38 per share compared to a net loss of \$474,919 or \$.17 per share for the same period of 2012.

As of June 30, 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 .462 mmcf. As of June 30, 2013, B&L's net production breakdown was approximately 1.0 mmcf and 45 barrels of oil per day from 6 wells.

According to public sources as of August 5, 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 24,867 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 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. With the exception of the Lomond North well in which B&L has an ORRI, 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. We have received the final processed 3D seismic data and are working on developing prospects to drill. B&L's preliminary evaluation of the processed 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% working interest in the Lago Verde project. B&L's management anticipates that drilling operations on the Lago Verde project should commence during 2014.

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: "The performance of our investment portfolio was remarkable and added significantly to the Company's bottom line. With the markets near record high levels, management decided to realize a portion of the unrealized gains in our security portfolio. Meanwhile, we are exploring various means of possessing and improving our property while generating incremental revenues through commercial hunting and fishing leases and alligator egg collection. All the time we continue to vigilantly pursue our main business purpose which is developing both shallow and deep oil and gas prospects on the Company's property, particularly our deep Tuscaloosa Project. We are pleased with B&L's

results for the second quarter and first half of 2013. If DD&A was not expensed, B&L would have been profitable for both periods. With this said, monetizing B&L's proved reserves while pausing its drilling program was directly responsible for B&L's financial results. Notably, B&L has an interest in FM O&G's Lomond North well with a projected total depth of over 30,000' TVD. This 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. We are excited about B&L's projects and are hopeful that B&L will be able to accelerate its drilling program during the second half of 2013 and into 2014."

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

June 30, 2013 and 2012

Assets	2013	2012
Current assets:		
Cash and cash equivalents	\$ 3,634,083	1,879,183
Accounts receivable	214,463	42,687
Prepaid expenses	60,501	56,878
Accrued interest receivable	16,900	22,250
Deferred tax asset	468,821	1,121,034
Federal income taxes receivable	—	16,136
State income taxes receivable	—	30,154
Other assets	3,830	3,830
Total current assets	<u>4,398,598</u>	<u>3,172,152</u>
Other assets:		
Investment in partnership	2,345,619	1,289,999
Marketable debt and equity securities - at cost	9,051,651	10,918,088
Land	234,939	234,939
Levees and office furniture and equipment	307,323	299,574
Accumulated depreciation	(304,186)	(299,574)
Total other assets	<u>11,635,346</u>	<u>12,443,026</u>
Total assets	<u>\$ 16,033,944</u>	<u>15,615,178</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Income taxes payable	\$ 151,834	—
Accrued expenses	16,466	11,323
Other current liabilities	4,608	4,608
Total current liabilities	<u>172,908</u>	<u>15,931</u>
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,716,028 and 2,726,778 shares in 2013 and 2012, respectively	47,520	47,520
Retained earnings	16,254,976	15,876,794
Treasury stock - 135,168 and 124,418 shares in 2013 and 2012, respectively, at cost	(441,460)	(325,067)
Total liabilities and stockholders' equity	<u>\$ 16,033,944</u>	<u>15,615,178</u>

**BILOXI MARSH LANDS CORPORATION**

## Statements of Revenues and Expenses

June 30, 2013 and 2012

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
Revenues:				
Oil and gas royalties	\$ 177,584	\$ 98,155	\$ 336,716	\$ 233,042
Severance taxes	(8,223)	(8,497)	(16,807)	(18,106)
Oil and gas royalties, net	<u>169,361</u>	<u>89,658</u>	<u>319,909</u>	<u>214,936</u>
Other (loss) income:				
Income (loss) from investment in partnership	(132,655)	(223,527)	(225,635)	(795,860)
Dividends and interest income	47,417	45,028	90,920	86,170
Gain on sale of securities	758,911	65,124	1,496,891	78,835
Other	6,150	6,150	12,300	74,366
Total other (loss) income	<u>679,823</u>	<u>(107,225)</u>	<u>1,374,476</u>	<u>(556,489)</u>
Total revenues and income	<u>849,184</u>	<u>(17,567)</u>	<u>1,694,385</u>	<u>(341,553)</u>
Expenses:				
Total expenses	<u>217,906</u>	<u>186,940</u>	<u>462,362</u>	<u>440,593</u>
Net (loss) income before income taxes	631,278	(204,507)	1,232,023	(782,146)
Income tax (benefit) expense	<u>26,917</u>	<u>(80,330)</u>	<u>189,118</u>	<u>(307,227)</u>
Net (loss) income	<u>\$ 604,361</u>	<u>(124,177)</u>	<u>\$ 1,042,905</u>	<u>(474,919)</u>
Net (loss) income per share	\$ 0.22	\$ (0.05)	\$ 0.38	\$ (0.17)