

## Biloxi Marsh Lands Corporation announces un-audited results for the second quarter and first six months of 2007 and provides update

**Metairie, LA** - Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announced its un-audited results for the periods ending June 30, 2007. Due to the company's earnings exceeding the revenue threshold tests under income tax regulations, the company was required to file its income tax returns using the accrual basis of tax accounting. Effective January 1, 2007 to achieve consistency in reporting the company changed its method of financial reporting from the cash receipts and disbursements method to the accrual method. The change in reporting method has no material effect on our cash flows. Total revenue for the second quarter of 2007 was \$1,233,908 compared to total revenue of \$2,243,971 for the same period of 2006. For the first six months of 2007 revenue was \$2,669,893 compared to \$5,727,622 for the same period of 2006. During the second quarter of 2007, revenues from mineral royalties were \$1,241,499 compared to \$2,040,359 for the same period of 2006. It should be noted that the company was able to expense its share of the vast majority of intangible drilling costs related to drilling three wells during the first half of 2007 which is reflected in the attached *Statement of Revenues and Expenses and Retained Earnings* as a deduction against other income. For the first half of 2007, gains on the sale of investments were \$312,312 compared to no gains during the first half of 2006. Meanwhile, operating expenses for the second quarter of 2007 were \$256,664 compared to operating expenses of \$487,971 for the same period of 2006. Net earnings were \$696,463 or \$.25 per share for the second quarter of 2007 compared to \$1,517,914 or \$.55 per share for the same period of 2006, and for the first half of 2007 net earnings were \$1,550,235 or \$.56 per share compared to \$3,756,799 or \$1.36 per share for the same period of 2006.

As of June 30, 2007, the combined gross daily production from 15 wells including those operated by The Meridian Resource & Exploration, LLC and Manti Jambi, Inc. was approximately 19 mmcf with net daily production accruing to the company of approximately 2.1 mmcf.

As previously announced, the company's partially owned subsidiary B & L Exploration, LLC (BLX), of which the company owns 75%, placed its first drilling program with the Manti Group. As of the date of this release, The Manti Group has drilled a total of three wells on each of the following prospects East Lena Lagoon, Redfish Bend and Lost Pearl, successfully completing Redfish Bend and Lost Pearl as commercial natural gas wells and plugging East Lena Lagoon as non-commercial. East Lena Lagoon is located on company property while Redfish Bend and Lost Pearl are located in state waters. Electric logs indicated approximately 36 net feet (TVD) of natural gas pay sands in Redfish Bend with the top of the pay sand encountered at approximately 6,024' TVD. After completion operations Redfish Bend was flow tested at maximum daily rate of approximately 5.3 mmcf on a 23/64ths choke with flowing tube pressure of approximately 1,944 psi with no water production. Meanwhile, electric logs indicated approximately 30 net feet (TVD) of natural gas pay sands in the Lost Pearl with the top of the pay sand encountered at approximately 5,830' TVD. Lost Pearl was flow tested at a maximum daily rate of approximately 5.4 mmcf on a 24/64ths choke with flowing tube

pressure of approximately 1,925 psi with no water production. We are advised by the Manti Group that they hope on to have both wells on production by the end of the third quarter. After the application of its carried working interest BLX will have a cumulative 21.25% working interest in each well. The partnership including the Manti Group and BLX has a 72% Net Revenue Interest (NRI) in each well.

During the second quarter of 2007, BLX placed its second five well drilling package with a group made up of Kaiser-Francis Gulf Coast, L.L.C., Gulf Explorer, L.L.C. and Ralaco Ventures, L.L.C. The prospects in this package have similar depth objectives to Redfish Bend and Lost Pearl. Gulf Production Company, Inc., an affiliate of Gulf Explorer, L.L.C. will be the operator and hopes to spud the first well in this package by September 15, 2007.

“While we are disappointed with the results of East Lena Lagoon due to its location on company property, we are very pleased with the results of Redfish Bend and Lost Pearl. Redfish Bend and Lost Pearl have similar geological and geophysical characteristics to the prospects in the next drilling package which gives us reason for cautious optimism. We are clearly aware, as our shareholders should be, of the inherent risks involved as we move forward. Our new partnership with Kaiser-Francis, Gulf Explorer and Ralaco is a testimony to the success of the strategy implemented by management and we are privileged to be associated with this group as well as the Manti Group. While there is no guarantee of success, our geophysical and geological staff is working hard to develop and place additional prospects.” commented William B. Rudolf, President and Chief Executive Officer.

Biloxi Marsh Lands Corporation owns approximately 90,000 acres of marsh lands located in St. Bernard Parish, Louisiana. As the landowner, it derives the vast majority of its revenue from oil and gas exploration and production activities that take place on or near the company’s land. The company also derives minimal revenues from surface rentals.

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 general information.

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”, “hopeful”, “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 “Statement of Revenues and Expenses and Retained Earnings” have been derived from an interim un-audited financial statement which does 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, 2007 and Comparable Period

<b>Assets</b>	<u>2007</u>		<u>2006</u>	
	<b>Accrual</b>		<b>Accrual</b>	
Current assets:				
Cash and cash equivalents	\$	1,948,053	\$	3,328,370
Royalty Receivable		513,010		1,045,605
Accrued Interest Receivable		66,825		115,262
State Income Taxes Receivable		94,725		—
Total current assets		<u>2,622,613</u>		<u>4,489,237</u>
Investments:				
Other Investments		1,346,164		—
Marketable debt and equity securities - at cost		12,923,065		19,627,771
Land - at cost		234,939		234,939
		<u>14,504,168</u>		<u>19,862,710</u>
Total assets	\$	<u><u>17,126,781</u></u>	\$	<u><u>24,351,947</u></u>
<b>Liabilities and Stockholders' Equity</b>				
Current liabilities:				
Federal income taxes payable	\$	3,196	\$	3,929,519
State income taxes payable		—		548,900
Deferred tax liability		924,000		1,540,000
Other current liabilities		93,719		61,322
Payroll taxes payable		2,377		1,695
Total current liabilities		<u>1,023,292</u>		<u>6,081,436</u>
Stockholders' equity:				
Common stock, par value \$.001 - 20,000,000 shares authorized, 2,851,196 shares issued, 2,754,428 shares outstanding		47,520		47,520
Retained earnings		16,130,784		18,297,806
		16,178,304		18,345,326
Less cost of treasury stock - 96,768 shares		<u>(74,815)</u>		<u>(74,815)</u>
		<u>16,103,489</u>		<u>18,270,511</u>
Total liabilities and stockholders' equity	\$	<u><u>17,126,781</u></u>	\$	<u><u>24,351,947</u></u>

**BILOXI MARSH LANDS CORPORATION**  
**Statements of Revenues and Expenses and Retained Earnings**  
**June 30, 2007 and Comparable Period**

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
<b>Revenues:</b>				
<b>Oil and Gas</b>				
Lease bonuses and delayed rentals	\$ 20,250	\$ 11,354	\$ 20,250	\$ 11,354
Royalties (net of production taxes)	1,221,249	2,029,005	2,515,289	5,265,081
Total Oil and Gas	<u>1,241,499</u>	<u>2,040,359</u>	<u>2,535,539</u>	<u>5,276,435</u>
<b>Other:</b>				
Partnership Income (Loss)	(182,500)	-	(429,831)	-
Dividends and interest	142,104	203,612	248,923	451,187
Gain on sale of securities	29,855	-	312,312	-
Surface Rentals	2,950	-	2,950	-
Total Other revenues	<u>(7,591)</u>	<u>203,612</u>	<u>134,354</u>	<u>451,187</u>
Total Revenue	<u>1,233,908</u>	<u>2,243,971</u>	<u>2,669,893</u>	<u>5,727,622</u>
<b>Expenses</b>				
Total Expenses	<u>256,664</u>	<u>487,971</u>	<u>476,012</u>	<u>728,024</u>
Net Income before provision for income taxes	<u>977,244</u>	<u>1,756,000</u>	<u>2,193,881</u>	<u>4,999,598</u>
<b>Income taxes</b>				
Provision for income taxes	<u>280,781</u>	<u>238,086</u>	<u>643,646</u>	<u>1,242,799</u>
Net Income	696,463	1,517,914	1,550,235	3,756,799
<b>Retained Earnings-beginning of period</b>	15,434,321	16,779,892	14,580,549	20,049,863
	<u>16,130,784</u>	<u>18,297,806</u>	<u>16,130,784</u>	<u>23,806,662</u>
<b>Dividends</b>	-	-	-	5,508,856
<b>Retained earnings-end of period</b>	<u>\$ 16,130,784</u>	<u>\$ 18,297,806</u>	<u>\$ 16,130,784</u>	<u>\$ 18,297,806</u>
Net Income Per Share	<u>\$ 0.25</u>	<u>\$ 0.55</u>	<u>\$ 0.56</u>	<u>\$ 1.36</u>