

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Unaudited Results for the Third Quarter and First Nine Months of 2010 and provides update

Metairie, LA., October 29, 2010 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the third quarter and first nine months of 2010 and provides update. Total revenue for the third quarter of 2010 was \$675,999 compared to total revenue of \$23,459,199 for the same period of 2009. For the first nine months of 2010 revenue was \$1,535,714 compared to \$24,717,858 for the same period of 2009. *(2009 - Q3 and first nine months revenues included \$23,827,543 in nonrecurring revenue funds received from the settlement effective July 1, 2009 of the litigation that was pending to determine the ownership of Sections 1, 2 and 3, Township 13 South, Range 16 East.)* For the third quarter total revenue includes a \$53,056 gain emanating from partnership income which represents the Company's interest in B&L Exploration, LLC compared to a net loss of \$725,947 in the same category for the third quarter of the prior year. Other revenue included \$85,329 in dividends & interest, and a \$68,311 gain from sale of securities. During the third quarter of 2010, oil and gas revenues were \$439,453 compared to \$21,117,644 for the same period of 2009 and for the first nine months oil and gas revenues were \$1,085,389 compared to \$21,740,302 for the first nine months of 2009. Meanwhile, operating expenses for the third quarter of 2010 were \$225,694 compared to \$292,572 for the same period of 2009. Net earnings were \$315,214 or \$0.11 per share for the third quarter of 2010 compared to \$15,168,494 or \$5.53 per share for the same period of 2009, and for the first nine months of 2010 net earnings were \$551,790 \$0.20 per share compared to \$15,586,289 or \$5.68 per share for the same period of 2009. Please note the non-recurring revenue for 2009 as stated above.

As previously announced, preliminary approval for settlement of all cases involving disputed waterbottoms between the Company and the State of Louisiana was granted by the Mineral and Energy Board of the State of Louisiana during its meeting held on July 14, 2010. The settlement involves sharing the funds with the State of Louisiana deposited in the various concursus accounts on a proportional basis which has been negotiated between representatives of the State and the Company. Subsequently, during its October 13th meeting, the Mineral and Energy Board approved the settlement agreements which were then executed by all the parties. We are awaiting disbursement of funds by the St. Bernard Parish Clerk of Courts. BLMC will receive slightly more than \$5.5 million from this settlement with additional funds to be disbursed to the Biloxi Marsh Lands 1 Royalty, LLC, 50196, LLC and Lake Eugenie Land & Development, Inc. We anticipate that the disbursements will take place prior to the end of 2010. For more information on the disputes between the Company and the State of Louisiana, please refer to our website: www.biloximarshlandscorp.com

As of September 30, 2010 the combined gross daily production rate from six wells operated by the Company's mineral Lessees was approximately 12.3 million cubic feet (mmcf) with net daily production accruing to the Company of approximately 1.78 mmcf. Combining this daily natural gas production with the Company's proportional share of the daily production from

the B&L wells makes the total net daily production accruing to the Company as of September 30, 2010 approximately 4.3 mmcfe (natural gas and equivalents).

As of September 30, 2010 B&L's net interest of wells were producing at a combined daily rate of approximately 3.03 mmcfe. During the last quarter the Lake Eugenie Land & Development, Inc. No. 1 well was placed on compression to increase and stabilize its flow rate. In addition to the current producing wells, B&L is participating in the drilling of additional wells in Louisiana during the fourth quarter of 2010.

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 regards to the Deep Water Horizon drilling rig explosion and resulting BP oil spill.

We are thankful that the spill has been stopped and the company's property is no longer threatened by a continued oil leak. As of the date of this release, it appears very little if any of BLMC's property was contaminated with oil from the spill.

William B. Rudolf, President and CEO, commented: "With the litigation with the State of Louisiana nearly behind us, we are prepared to focus our efforts on strategies designed to hopefully increase the Company's asset base and hopefully lead to increased production from our fee based land and off-property assets."

The Company maintains a website; www.biloximarshlandscorp.com and we strongly recommend that all investors and interested parties visit the website to view historical press releases, historical financial statements including *President's Report to Shareholders*, and general information about the company. During January 2008 we moved our office to One Galleria Blvd., Suite #902. Complete and updated contact information is available on the Company's website: www.biloximarshlandscorp.com.

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 from its majority 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 “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

September 30, 2010 and 2009

Assets	2010	2009
Current assets:		
Cash and cash equivalents	\$ 6,433,485	21,907,037
Accounts receivable	206,109	80,989
Federal income taxes receivable	8,437	—
State income taxes receivable	65,843	—
Prepaid expenses	59,063	55,327
Accrued interest receivable	55,995	72,385
Other assets	3,830	3,830
Total current assets	6,832,762	22,119,568
Investment in partnership	2,902,539	580,188
Marketable debt and equity securities - at cost	8,506,359	7,305,824
Land - at cost	234,939	234,939
Levees and office furniture and equipment	257,496	188,352
Accumulated depreciation	(257,496)	(188,352)
Total assets	\$ 18,476,599	30,240,519
Liabilities and Stockholders' Equity		
Current liabilities:		
Federal Income Tax Payable		6,947,629
State income tax payable		734,757
Accrued expenses	10,781	40,455
Other current liabilities	3,960	2,520
Total current liabilities	14,741	7,725,361
Stockholders' equity:		
Common stock, par value \$.001 - 20,000,000 shares authorized, 2,851,196 shares issued, outstanding 2,741,428 shares in 2010 and 2,741,428 in 2009	47,520	47,520
Retained earnings	18,597,403	22,650,703
Less cost of treasury stock - 109,768 and 109,768 shares in 2010 and 2009, respectively	(183,065)	(183,065)
Total liabilities and stockholders' equity	\$ 18,476,599	30,240,519

BILOXI MARSH LANDS CORPORATION
 Statements of Revenues and Expenses and Retained Earnings
 September 30, 2010 and Comparable Period

	3 Months Ended September 30		9 Months Ended September 30	
	2010	2009	2010	2009
Revenues:				
Oil and gas				
Royalties	\$ 452,906	\$ 21,137,561	\$ 1,109,537	\$ 21,806,837
Severance taxes	(13,453)	(19,917)	(54,148)	(66,535)
Oil and gas royalties, net	<u>439,453</u>	<u>21,117,644</u>	<u>1,055,389</u>	<u>21,740,302</u>
Delay rentals	-	-	30,000	-
Total oil and gas revenues	<u>439,453</u>	<u>21,117,644</u>	<u>1,085,389</u>	<u>21,740,302</u>
Other:				
Gain (loss) from investment in partnership	53,056	(725,947)	79,621	(358,433)
Dividends and interest	85,329	3,054,952	247,298	3,200,978
Gain (loss) on sale of securities	68,311	-	85,924	122,461
Surface rentals and other	29,850	12,550	37,482	12,550
Total other income	<u>236,546</u>	<u>2,341,555</u>	<u>450,325</u>	<u>2,977,556</u>
Total revenues and income	<u>675,999</u>	<u>23,459,199</u>	<u>1,535,714</u>	<u>24,717,858</u>
Expenses				
Total expenses	<u>225,694</u>	<u>292,572</u>	<u>747,444</u>	<u>1,066,612</u>
Net income before provision for income taxes	<u>450,305</u>	<u>23,166,627</u>	<u>788,270</u>	<u>23,651,246</u>
Income taxes				
Provision for income taxes	<u>135,091</u>	<u>7,998,133</u>	<u>236,480</u>	<u>8,064,957</u>
Net income	\$ 315,214	\$ 15,168,494	\$ 551,790	\$ 15,586,289
Net income per share	<u>\$ 0.11</u>	<u>\$ 5.53</u>	<u>\$ 0.20</u>	<u>\$ 5.68</u>