

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Audited Results for the Fourth Quarter of 2014, 12 Months ending December 31, 2014 and provides update

Metairie, LA., March 13, 2015 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) announces results for the year ending December 31, 2014 and provides update. The Company's annual revenue breakdown is as follows: 2014 revenue from oil and gas production for its fee lands was \$534,652 compared to revenue of \$636,189 in 2013.

Dividend and interest income for 2014 was \$202,819, compared to \$164,275 for 2013. In 2014, the Company realized a cumulative gain from the sale of investment securities of \$1,717,041 compared to a cumulative gain in the amount of \$2,072,125 in 2013.

Meanwhile, for the year 2014, total revenues included a \$1,371,185 loss emanating from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$1,740,193 from B&L in the prior year. 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 \$992,684 and \$927,415 for 2014 and 2013, respectively.

Total revenues for 2014 were \$1,122,376 compared to \$4,351,080 during 2013. 2013 revenues included a non-recurring gain under the BP Deepwater Horizon Economic and Property Damages Settlement Program in the amount of \$3,189,681. Expenses for the year totaled \$945,848, slightly lower than the prior's year's expenses of \$1,091,414. For the year, the Company had net income of \$202,411 or \$.08 per share compared to net income of \$2,450,729 or \$.90 per share in 2013.

As of December 31, 2014, the combined gross daily production rate from 8 wells operated by the Company's mineral lessees was approximately 3.679 million cubic feet of natural gas (mmcfg) and 157 barrels of oil per day (BOPD) with net daily production accruing to the Company of approximately .435 mmcfg and 3 BOPD. The foregoing production includes four wells producing from S/L 16158 in which the Company owns a small interest. Meanwhile, as of December 31, 2014, B&L's gross daily production was approximately 4.655 mmcfg and 336 barrels of oil from 7 wells with 1.685 mmcfg and 43 barrels of oil per day accruing to B&L.

The end of the year proved reserve study commissioned by the Company and completed by T. J. Smith & Company, Inc., an independent reservoir engineer, estimates that as of December 31, 2014 BLMC's "Developed Producing" (PDP) reserves were .339 billion cubic feet of natural gas (BCFG) and 2,800 barrels of oil.

In addition to the foregoing estimated proved reserves, another reserve study completed by the same independent reservoir engineer estimates that B&L's proved reserves as of December 31, 2014 were approximately 9.4 BCFG and approximately 197 thousand barrels of oil (MBBL) which compared to 9.0 BCFG and 215 MBBL as of December 31, 2013. It should be noted that a significant component of B&L's proved reserves as of December 31, 2014 are Proved Undeveloped (PUD). As is necessary with all PUD reserves, a well or wells must be drilled and completed to fully develop these PUD reserves. The foregoing reserves do not include any reserves attributable to FM O&G's Highlander Area Well in which B&L is contractually entitled to a 1.5% ORRI.

The proved reserve studies referenced above include explanatory notes that are an integral part of each study. A copy of the 2015 *President's Report to Shareholders* that includes these notes will be available on the Company's website after March 27, 2015. The Company recommends that all interested parties refer to its website to view these notes and other relevant information: www.biloximarshlandscorp.com.

Freeport-McMoRan Oil and Gas (FM O&G), a wholly owned subsidiary of Freeport-McMoRan Copper and Gold Inc. (NYSE:FCX), in its February 20, 2015 news release announced *"the results of additional production testing on Freeport-McMoRan Oil & Gas's (FM O&G) Highlander discovery, located onshore in South Louisiana in the Inboard Lower Tertiary/Cretaceous trend. The production test, which was performed in the Cretaceous/Tuscaloosa section, utilized expanded testing equipment and indicated a flow rate of approximately 75 million cubic feet of natural gas per day" "on a 42/64th choke with flowing tubing pressure of 10,300 pounds per square inch. FM O&G expects to immediately commence production using FM O&G facilities in the immediate area. FM O&G plans to install additional amine processing facilities to accommodate the higher rates.*

As previously reported, the Highlander discovery well was drilled to a total depth of approximately 29,400 feet in first-quarter 2014. Wireline log and core data obtained from the Wilcox and Cretaceous sand packages indicated favorable reservoir characteristics with approximately 150 feet of net pay. In December 2014, FM O&G tested the well at a rate of approximately 43.5 MMcf/d on a 22/64th choke with flowing tubing pressure of 11,880 pounds per square inch. A second well has been identified and future plans are being evaluated in this high potential area. FM O&G has identified multiple prospects in the Highlander area where it controls rights to more than 50,000 gross acres."

B&L has been assigned and is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the Lomond North/Highlander discovery well and in all mineral leases obtained by FM O&G in its Highlander project area located in Iberia, St. Martin, Assumption and Iberville Parishes, Louisiana.

B&L completed construction of production facilities and the flowline for the Welder No. 1 well and placed the well on production December 12, 2014. As of March 11, 2015, the

Welder No. 1 well had gross production of approximately 1.56 mmcf/d and 8 BOPD. B&L has 100% working interest in the Welder No. 1 well. Due to the decline in commodity prices during the fourth quarter of 2014, B&L's management is reevaluating each of its drilling projects. B&L's management believes that in the event of additional discoveries in the Lago Verde project area each well should continue to be economically viable due to the relatively shallow target depths and lower costs of drilling. While commencement of drilling may be delayed to allow B&L to take advantage of declining drilling costs, B&L's management anticipates that additional prospects in the Lago Verde project area will be drilled during 2015.

As previously reported, B&L assembled a mineral lease position in Allen and Beauregard Parishes, Louisiana, targeting the Wilcox sand interval which has been a historically prolific oil producing interval in this area using conventional well completion techniques. Based on technical information, B&L believes that reservoir stimulation using hydraulic fracturing could result in the discovery and production of significant oil reserves that were not accessible in the past using conventional well completion techniques. To assist in development of this Wilcox project, B&L placed the majority of the working interest with Petro Harvester Oil & Gas LLC, headquartered in Plano, Texas. Petro Harvester has experience in drilling and stimulating Wilcox wells in neighboring parishes. B&L retained a 15.75% working interest in the Wilcox project. This project is currently being reevaluated by B&L's management in the context of the current lower oil price environment.

As previously reported, the Company received a settlement payment during 2013 for its wetlands real property claim under the BP Deepwater Horizon Economic and Property Damages Settlement Program. The Company has been advised by its legal counsel that an additional limited recovery under the settlement may be expected, but as of this time it is difficult to determine the timing and amount of the additional settlement, if any.

In June 2014, the Company announced the completion of its previously announced stock buyback program with the acquisition of a total of 67,500 shares of its common stock since the inception of the program in September 2008. During the course of completing the buyback program, the opportunity to purchase additional shares of common stock presented itself. The Company successfully negotiated the purchase of an additional 151,900 shares in two separate private transactions. Since September of 2008, the total number of shares purchased by the Company as treasury stock is 219,400. The Company paid an average price of \$12.62 for these shares of common stock since the inception of the buyback program. As of the time of this press release, the Company is not actively seeking to repurchase any additional shares of its common stock.

B&L was organized as a limited liability Company (LLC) under the laws of Louisiana in July of 2006. B&L's members are BLMC and Lake Eugenie Land & Development, Inc. (LKEU), which have membership percentages of 75% and 25%, respectively.

During its meeting held on December 11, 2014, the Board of Directors declared a dividend of \$.40 per outstanding share of common stock payable on Tuesday, December 30, 2014 to shareholders of record at the close of business on Monday, December 22, 2014. This represents a total cash dividend payment of \$1,014,011 or \$.40 per share in 2014. Since 2002, the Company has paid approximately \$54,905,000 in total dividends. With the

Company's fee land based production depleting and no new wells being drilled on its fee lands, it will be difficult to maintain the level of dividends paid since 2002.

Using 3D seismic data in its possession and other means, the Company is constantly working on developing the minerals located below its fee lands. One important step the Company has taken is joining a consortium of oil companies which retained the University of Texas Bureau of Economic Geology (BEG) to evaluate and quantify chlorite coating on cores taken from the Woodbine and Tuscaloosa sand intervals throughout south Texas and Louisiana, including the ARCO - Biloxi Marsh Land P-2 well which was drilled on the Company's property and penetrated the Tuscaloosa sand interval. The results of the BEG's study indicate significant preserved porosity and permeability in the P-2 well's conventional cores due to chlorite coating of the Tuscaloosa sand grains and the presence of bitumen in the Tuscaloosa sand interval. This could prove to be significant as the Company moves forward with its attempts to have the conventional Tuscaloosa sand interval further tested and developed beneath its fee lands. Meanwhile, the Company is focusing on developing reserves outside of its fee acreage through its investment in B&L. In its current stage of growth and continued reinvestment in its drilling program, B&L should not be viewed as a dividend producing entity.

William B. Rudolf, President and CEO, commented: "B&L's management is pleased with the production rates on B&L's Welder No. 1 well which are better than anticipated. The announcement by FM O&G concerning the flow tests of its Lomond North/Highlander discovery well is encouraging and appears to indicate that the well should be capable of extremely high flow rates. We are not aware of the well's current production rates or FM O&G's development plans beyond information that has been made public, but if the Highlander area is successfully developed with multiple wells, over time the Highlander area could be very significant to B&L. Meanwhile, B&L's management is reevaluating all of its drilling projects in the context of lower commodity prices. We will continue to focus on building shareholder value through development of our core minerals located beneath our fee lands and through other investments."

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.

The Company continues to pursue a claim for damages against the US Army Corps of Engineers for property loss and damage related to the Mississippi River Gulf Outlet (MRGO).

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 fee lands and revenues from surface rentals. BLMC also owns a seventy-five percent interest in B&L Exploration, LLC which explores for and develops oil and gas primarily in Louisiana and Texas.

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”, “could”, “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—Income Tax Basis* and *Statements of Revenues and Expenses—Income Tax Basis* have been derived from the Company's end of the year financial statements, but do not include the information and footnotes that are an integral part of a complete financial statement. A complete copy of the audited *Financial Statements and Schedule—Income Tax Basis, Years Ended December 31, 2014 and 2013* along with the 2015 *President's Report to Shareholders* and the Company's *Proxy Statement* will be available after March 27, 2015 on the Company's website www.biloximarshlandscorp.com or through requesting a copy in writing from the Company - Attention: Investor Relations, Biloxi Marsh Lands Corporation, One Galleria Blvd., Suite #902, Metairie, LA 70001.

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BILOXI MARSH LANDS CORPORATION

Statements of Assets, Liabilities, and Stockholders' Equity-Income Tax Basis

December 31, 2014 and 2013

Assets	2014	2013
Current assets:		
Cash and cash equivalents	\$ 2,815,481	3,378,827
Accounts receivable	114,739	64,157
Accrued interest receivable	20,310	20,838
Prepaid expenses	40,867	38,967
Deferred tax asset	60,379	21,265
Federal income taxes receivable	10,017	—
State income taxes receivable	13,674	—
Marketable debt securities - at cost	300,775	300,262
Other assets	3,830	3,830
Total current assets	3,380,072	3,828,146
Investment in partnership	2,759,875	4,131,060
Marketable debt and equity securities - at cost	6,175,836	8,202,631
Land	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	45,511	—
Levees and office furniture and equipment	314,943	314,943
Accumulated depreciation	(313,440)	(312,538)
Total assets	\$ 12,597,736	16,399,181
Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	\$ —	599,250
Accrued expenses	34,906	35,893
Other current liabilities	—	4,608
Total current liabilities	34,906	639,751
Stockholders' equity:		
Common stock, \$0.001 par value. Authorized, 20,000,000 shares; issued 2,851,196 shares; outstanding, 2,535,028 and 2,715,028 shares in 2014 and 2013, respectively	47,520	47,520
Retained earnings	15,357,935	16,169,535
Treasury stock, 316,168 and 136,168 shares in 2014 and 2013, respectively, at cost	(2,842,625)	(457,625)
Total stockholders' equity	12,562,830	15,759,430
Total liabilities and stockholders' equity	\$ 12,597,736	16,399,181

BILOXI MARSH LANDS CORPORATION
 Statements of Revenues and Expenses - Income Tax Basis
 Years ended December 31, 2014 and 2013

	3 Months Ended December 31		12 Months Ended December 31	
	2014	2013	2014	2013
Revenues:				
Oil and gas royalties	\$ 138,326	137,820	508,205	614,690
Severance taxes	<u>(6,901)</u>	<u>(4,947)</u>	<u>(23,553)</u>	<u>(28,501)</u>
Oil and gas royalties, net	131,425	132,873	484,652	586,189
Surface rentals	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total oil and gas revenues	<u>181,425</u>	<u>182,873</u>	<u>534,652</u>	<u>636,189</u>
Other income (loss):				
Income (loss) from investment in partnership	(388,128)	(1,002,380)	(1,371,185)	(1,740,193)
Dividends and interest income	44,842	37,549	202,819	164,275
Gain on settlement	-	3,189,681	-	3,189,681
Gain on sale of securities	196,486	214,126	1,717,041	2,072,125
Surface rentals	<u>16,104</u>	<u>17,328</u>	<u>39,049</u>	<u>29,003</u>
Total other income (loss)	<u>(130,696)</u>	<u>2,456,304</u>	<u>587,724</u>	<u>3,714,891</u>
Total revenues and income	<u>50,729</u>	<u>2,639,177</u>	<u>1,122,376</u>	<u>4,351,080</u>
Expenses:				
Total expenses	<u>293,760</u>	<u>453,865</u>	<u>945,848</u>	<u>1,091,414</u>
Net income (loss) before income taxes	<u>(243,031)</u>	<u>2,185,312</u>	<u>176,528</u>	<u>3,259,666</u>
Income taxes:				
Income tax (benefit) expense	<u>(179,400)</u>	<u>667,516</u>	<u>(25,883)</u>	<u>808,937</u>
Net income (loss)	<u><u>\$ (63,631)</u></u>	<u><u>1,517,796</u></u>	<u><u>202,411</u></u>	<u><u>2,450,729</u></u>
Net income (loss) per share	\$ (0.02)	0.56	0.08	0.90