

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Unaudited Results for the Second Quarter and first Six Months of 2015 and provides update

Metairie, LA., August 7, 2015 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the second quarter of 2015 and first six months of 2015 and provides update. The Company's revenue for the three months ended June 30, 2015 from oil and gas production for its fee lands was \$60,736 compared to revenue of \$112,792 for the second quarter of 2014. For the first six months of 2015, revenue generated from the Company's fee lands decreased to \$141,799 from \$224,228 for the same period in 2014.

Meanwhile, dividend and interest income for the first six months of 2015 was \$68,570, compared to \$125,506 for the first six months of 2014. During 2014, it is noted that one of the Company's equity holdings declared a special dividend of \$48,174 which is included in dividend and interest income for the first six months of 2014. During the second quarter of 2015, the Company realized a cumulative gain from the sale of investment securities of \$483,694 compared to a cumulative gain in the amount of \$431,673 for the same period in 2014. For the first six months of 2015, the cumulative gain from the sale of investment securities was \$733,572 compared to \$1,113,645 for the first six months of 2014. For the second quarter of 2015, total revenues included a \$79,353 loss emanating from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$87,013 from B&L for the second quarter of 2014. Correspondingly, total revenue for the six months ended June 30, 2015 includes a net loss of \$305,201 generated by B&L compared to a net loss of \$320,013 from B&L for the first six months of 2014. 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 \$308,991 and \$454,980 for the first six months of 2015 and 2014, respectively.

For the second quarter total expenses were \$242,372 compared to \$204,449 for the same period of the prior year. Total expenses for the first six months of 2015 and 2014 were \$455,498 and \$456,579, respectively. The Company had net income of \$158,288 or \$.06 per share for the second quarter of 2015 compared to net income of \$180,230 or \$.07 per share in 2014. Meanwhile, for the first half of 2015, net income was \$116,890 or \$.05 per share compared to net income of \$436,474 or \$.16 per share for the same period of 2014.

As of June 30, 2015, the combined gross daily production rate from 7 wells operated by the Company's mineral lessees was approximately 1.28 million cubic feet of natural gas (mmcf) and 143 barrels of oil per day (BOPD) with net daily production accruing to the Company of approximately .13 mmcf and 2 BOPD. Meanwhile, as of June 30, 2015, B&L's gross daily production was approximately 28.93 mmcf and 362 barrels of oil from 8 wells

(including Highlander discovery well) with approximately 2.29 mmcf and 42 barrels of oil per day accruing to B&L.

As previously reported, the Company has filed a claim against the US Army Corps of Engineers (USACE) for property damage and losses caused by the Mississippi River Gulf Outlet (MR-GO). We are continuing to aggressively pursue this claim and will keep our shareholders advised as things progress.

Freeport-McMoRan Inc. (NYSE: FCX) announced on July 23, 2015 *“that in second-quarter 2015, the Highlander well, which has been restricted because of limited processing facilities, averaged a gross rate of 22 MMcf per day ... As previously reported, production testing in February 2015 indicated a flow rate of 75 MMcf per day ... FM O&G is developing additional processing facilities to accommodate the higher flow rates with installation expected by year-end 2015. In July 2015, the Highlander well was shut in for remedial workover operations to address a mechanical issue encountered in the wellbore. A second well location has been identified, and future plans are being considered ... FM O&G has identified multiple additional locations on the Highlander structure, which is located onshore in South Louisiana where FM O&G 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 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’s previously reported proved reserves have not included any estimated reserves attributable to this 1.5% ORRI.

On July 27, 2015 B&L logged its Welder No. 3 well located within its Lago Verde Project area. Electric logs and core analysis indicate separate oil and natural gas/condensate pay zones in multiple sand intervals within the lower Frio sand. B&L and its partners have set production casing on the Welder No. 3, demobilized the drilling rig and are designing the completion that is scheduled to be commenced by a separate completion rig during the third quarter. B&L anticipates first production for the Welder No. 3 during the fourth quarter of 2015. B&L has a 62.5% working interest in the Welder No. 3 well.

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.

William B. Rudolf, President and CEO, commented: “B&L’s management is pleased with the ongoing production from the Welder No. 1 well and the results of the initial electric log and core results from the Welder No. 3. While development of our core minerals located beneath our fee lands continues to prove difficult during this period of lower natural gas prices, we are continually working on refining our technical analysis and believe the Company will be well positioned to take advantage of improvement in natural gas pricing, if and when this improvement occurs. Meanwhile, the company continues to pursue its claim against the USACE for damage caused to its property by the MR-GO.”

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 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" 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, 2015 and 2014

Assets	2015	2014
Current assets:		
Cash and cash equivalents	\$ 2,815,149	1,777,082
Accounts receivable	31,796	36,223
Prepaid expenses	60,453	64,332
Accrued interest receivable	17,565	19,611
Deferred tax asset	60,380	21,265
Other assets	3,830	3,830
Total current assets	<u>2,989,173</u>	<u>1,922,343</u>
Other assets:		
Investment in partnership	2,454,676	3,811,048
Marketable debt and equity securities - at cost	7,000,293	8,067,225
Land	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	59,123	—
Levees and office furniture and equipment	314,943	314,943
Accumulated depreciation	<u>(313,725)</u>	<u>(312,989)</u>
Total other assets	<u>9,750,249</u>	<u>12,115,166</u>
Total assets	\$ <u><u>12,739,422</u></u>	\$ <u><u>14,037,509</u></u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	\$ 48,930	219,556
Accrued expenses	10,771	2,441
Other current liabilities	—	4,608
Total current liabilities	<u>59,701</u>	<u>226,605</u>
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,535,028 shares in 2015 and 2014, respectively	47,520	47,520
Retained earnings	15,474,826	16,606,009
Treasury stock - 316,168 shares in 2015 and 2014, respectively, at cost	<u>(2,842,625)</u>	<u>(2,842,625)</u>
Total liabilities and stockholders' equity	\$ <u><u>12,739,422</u></u>	\$ <u><u>14,037,509</u></u>

BILOXI MARSH LANDS CORPORATION

Statements of Revenues and Expenses

June 30, 2015 and 2014

	3 Months Ended June 30		6 Months Ended June 30	
	2015	2014	2015	2014
Revenues:				
Oil and gas royalties	\$ 66,016	\$ 117,056	\$ 152,455	\$ 233,223
Severance taxes	(5,280)	(4,264)	(10,656)	(8,995)
Oil and gas royalties, net	<u>60,736</u>	<u>112,792</u>	<u>141,799</u>	<u>224,228</u>
Other income (loss):				
Loss from investment in partnership	(79,353)	(87,013)	(305,201)	(320,013)
Dividends and interest income	33,315	31,434	68,570	125,506
Gain on sale of securities	483,694	431,673	733,572	1,113,645
Surface rentals	-	1,579	4,029	1,579
Total other income	<u>437,656</u>	<u>377,673</u>	<u>500,970</u>	<u>920,717</u>
Total revenues and income	<u>498,392</u>	<u>490,465</u>	<u>642,769</u>	<u>1,144,945</u>
Expenses:				
Total expenses	<u>242,372</u>	<u>204,449</u>	<u>455,498</u>	<u>456,579</u>
Net income before income taxes	256,020	286,016	187,271	688,366
Income tax expense	<u>97,732</u>	<u>105,786</u>	<u>70,381</u>	<u>251,892</u>
Net income	<u>\$ 158,288</u>	<u>180,230</u>	<u>\$ 116,890</u>	<u>436,474</u>
Net income per share	\$ 0.06	\$ 0.07	\$ 0.05	\$ 0.16