

# Biloxi Marsh Lands Corporation

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## Biloxi Marsh Lands Corporation Announces Audited Results for the Fourth Quarter of 2015, 12 Months ending December 31, 2015 and provides update

Metairie, LA., March 11, 2016 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) announces results for the year ending December 31, 2015 and provides update. The Company's annual revenue breakdown is as follows: 2015 revenue from oil and gas production for its fee lands was \$285,136 compared to revenue of \$558,205 in 2014. Dividend and interest income for 2015 was \$147,311, compared to \$202,819 for 2014. In 2015, the Company realized a cumulative gain from the sale of investment securities of \$2,195,981 compared to a cumulative gain in the amount of \$1,717,041 in 2014.

Total revenues for 2015 were \$989,665 compared to \$1,145,929 during 2014. For the year 2015, total revenues were reduced by \$1,682,847 from the Company's investment in B&L Exploration, LLC (B&L). This compares to a reduction in revenues of \$1,371,185 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 exploration and production activities. BLMC's share of these DD&A expenses was \$809,513 and \$992,684 for 2015 and 2014, respectively.

Expenses for the year totaled \$932,941, slightly lower than the prior year's expenses of \$969,401. For the year, the Company had net income of \$66,419 or \$.03 per share compared to net income of \$202,411 or \$.08 per share in 2014.

As of December 31, 2015, the combined gross daily production rate from 7 wells operated by the Company's mineral lessees was approximately 1.638 million cubic feet of natural gas (Mmcf) and 109 barrels of oil per day (BOPD) with net daily production accruing to the Company of approximately .264 Mmcf and 2 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, 2015, B&L's gross daily production was approximately 48.22 Mmcf and 234 barrels of oil from 7 wells with 2.15 Mmcf and 32 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 damages and losses caused by the Mississippi River Gulf Outlet (MR-GO). While favorable rulings have been recently rendered in similar cases, it is anticipated that this litigation against the federal government will be a long process. We will continue to aggressively pursue this claim and will keep our shareholders advised as things progress.

The end of the year proved reserve study commissioned by the Company and completed by an independent reservoir engineering firm estimates that as of December 31, 2015 BLMC's "Developed Producing" (PDP) reserves were .067 billion cubic feet of natural gas (Bcfg) and 700 barrels of oil.

Two independent reserve studies have been completed by separate reservoir engineering firms which estimate that B&L's proved reserves as of December 31, 2015 were approximately 10.0 Bcfg, approximately 184 thousand barrels of oil (Mbbl) and approximately 5,500 Mbbl of natural gas liquids which compared to 9.4 Bcfg and 197 Mbbl of oil as of December 31, 2014. It should be noted that a significant component of B&L's proved reserves as of December 31, 2015 are Proved Undeveloped (PUD) attributed to B&L's leasehold interest in a federal offshore block located in shallow water on the intercontinental shelf. As is necessary with all PUD reserves, a well or wells must be drilled and completed to fully develop these PUD reserves prior to the expiration of this leasehold interest.

The proved reserve studies referenced above include explanatory notes that are an integral part of each study. A copy of the 2016 *President's Report to Shareholders* that includes these notes will be available on the Company's website after April 1, 2016. The Company recommends that all interested parties refer to its website to view these notes and other relevant information: [www.biloximarshlandscorp.com](http://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 January 26, 2016 news release announced *"during November 2015, FM O&G completed the installation of additional processing facilities to accommodate higher flow rates from the Highlander well. In December 2015, gross rates from the Highlander well averaged approximately 44 MMcf per day."*

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 and maintained 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 flowline for the Welder No. 3 well and placed the well on production November 25, 2015. As of March 2016, the Welder No. 3 well continues to produce natural gas, condensate and natural gas liquids at commercial rates. B&L plans to take steps to rework the Welder No. 3 in an attempt to increase flow rates during the second quarter of 2016. B&L has 62.5% working interest in the Welder No. 3 well. Meanwhile, B&L's Welder No.1 well continues to produce better than originally anticipated with flow rates near the initial production rates seen in December 2014.

In June 2014, the Company announced the completion of its previously announced stock buyback program. On December 14, 2015, the board of directors authorized the additional purchase of up to 30,000 shares of its common stock. The purchases will be made from time to time on the open market at the sole discretion of the Company. All shares purchased will be held as treasury 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 14, 2015, the board of directors declared a dividend of \$.125 per outstanding share of common stock payable on Wednesday, December 30, 2015 to shareholders of record at the close of business on Thursday, December 24, 2015. This represents a total cash dividend payment of \$316,879 or \$.125 per share in 2015. Since 2002, the Company has paid approximately \$55,223,000 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.

William B. Rudolf, President and CEO, commented: "B&L's management continues to be pleased with the results from its Lago Verde Project. B&L plans to take actions to increase production from the Welder No. 3. If these actions are successful, it could create an opportunity to drill additional wells to fully develop the reservoir discovered by the Welder No. 3. In November 2015, FM O&G completed the installation of additional processing facilities to accommodate higher flow rates from the Highlander well. In December 2015, gross rates from the Highlander well averaged approximately 44 MMcf per day. Due to its role in development of the Highlander prospect, B&L is fully aware of the magnitude of the Highlander discovery which, in its opinion, is truly a world class discovery. Conversely, B&L's management is also aware of the financial challenges which FM O&G is currently experiencing. B&L's management is actively developing potential strategies designed to protect its interest within the Highlander Area. While development of the Company's core minerals located beneath our fee lands continues to prove difficult, we believe the Company will be well positioned to take advantage of improvement in natural gas pricing, if and when this improvement occurs."

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 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, 2015 and 2014* along with the *2016 President's Report to Shareholders* and the Company's *Proxy Statement* will be available after April 1, 2016 on the Company's website [www.biloximarshlandscorp.com](http://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, 2015 and 2014

<b>Assets</b>	<b>2015</b>	<b>2014</b>
Current assets:		
Cash and cash equivalents	\$ 2,584,889	2,815,481
Accounts receivable	22,036	114,739
Accrued interest receivable	17,565	20,310
Prepaid expenses	39,043	40,867
Deferred tax asset	53,150	60,379
Federal income taxes receivable	7,195	10,017
State income taxes receivable	41,434	13,674
Marketable debt securities - at cost	300,025	300,775
Other assets	3,830	3,830
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Total current assets	3,069,167	3,380,072
Investment in partnership	2,652,028	2,759,875
Marketable debt and equity securities - at cost	6,330,334	6,175,836
Land - at cost	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	39,841	45,511
Levees and office furniture and equipment	314,943	314,943
Accumulated depreciation	(314,009)	(313,440)
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Total assets	\$ 12,327,243	12,597,736
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<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accrued expenses	\$ 14,873	34,906
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Total current liabilities	14,873	34,906
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Stockholders' equity:		
Common stock, \$0.001 par value. Authorized, 20,000,000 shares; issued 2,851,196 shares; outstanding, 2,535,028 and 2,535,028 shares in 2015 and 2014, respectively	47,520	47,520
Retained earnings	15,107,475	15,357,935
Treasury stock, 316,168 and 316,168 shares in 2015 and 2014, respectively, at cost	(2,842,625)	(2,842,625)
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Total stockholders' equity	12,312,370	12,562,830
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Total liabilities and stockholders' equity	\$ 12,327,243	12,597,736
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**BILOXI MARSH LANDS CORPORATION**  
 Statements of Revenues and Expenses - Income Tax Basis  
 December 31, 2015 and 2014

	<b>3 Months Ended</b>		<b>12 Months Ended</b>	
	<b>December 31</b>		<b>December 31</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Revenues:</b>				
Oil and gas royalties	\$ 33,084	\$ 138,326	\$ 235,136	\$ 508,205
Surface rentals	50,000	50,000	50,000	50,000
Total oil and gas revenues	<u>83,084</u>	<u>188,326</u>	<u>285,136</u>	<u>558,205</u>
<b>Other income (loss):</b>				
Loss from investment in partnership	(937,477)	(388,128)	(1,682,847)	(1,371,185)
Dividends and interest income	36,523	44,842	147,311	202,819
Gain on sale of securities	1,151,596	196,486	2,195,981	1,717,041
Surface rentals	5,377	16,104	44,084	39,049
Total other income (loss)	<u>256,019</u>	<u>(130,696)</u>	<u>704,529</u>	<u>587,724</u>
Total revenues and other income	<u>339,103</u>	<u>57,630</u>	<u>989,665</u>	<u>1,145,929</u>
<b>Expenses:</b>				
Total expenses	<u>272,960</u>	<u>300,661</u>	<u>932,941</u>	<u>969,401</u>
Net income (loss) before income taxes	66,143	(243,031)	56,724	176,528
Income tax benefit	<u>(6,155)</u>	<u>(179,400)</u>	<u>(9,695)</u>	<u>(25,883)</u>
Net income (loss) - income tax basis	<u>\$ 72,298</u>	<u>(63,631)</u>	<u>\$ 66,419</u>	<u>202,411</u>
Net income (loss) per share - income tax basis	\$ 0.03	\$ (0.02)	\$ 0.03	\$ 0.08