

# Biloxi Marsh Lands Corporation announces un-audited results for the second quarter and first six months of 2004 and provides update

**Metairie, LA** - Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announced its un-audited results for the periods ending June 30, 2004. Total revenue for the second quarter of 2004 was \$6,191,152 compared to total revenue of \$1,812,422 for the same period of 2003 and compared to total revenue of \$3,630,328 for the first quarter of 2004. For the first six months of 2004 revenue was \$9,821,481 compared to \$3,415,945 for the same period of 2003. During the second quarter of 2004 revenues from mineral royalties increased to \$3,911,078 from \$1,536,604 for the same period of 2003 and from \$3,154,888 for the first quarter of 2004. Revenues were positively impacted during the second quarter of 2004 by lease bonus, delay rental and lease extension payments in the amount of \$1,817,478 all of which may not recur and \$278,625 in non-recurring right of way payments. Meanwhile operating expenses for the second quarter of 2004 were \$242,896 compared to operating expenses of \$133,443 for the same period of 2003. Net earnings were \$3,969,256 or \$1.44 per share for the second quarter of 2004 compared to \$1,144,079 or \$.42 per share (split adjusted) for the same period of 2003 and compared to \$2,372,855 or \$.86 per share (split adjusted) for the first quarter of 2004. For the first half of 2004 net earnings were \$6,342,113 or \$2.30 per share compared to \$2,152,068 or \$.78 per share (split adjusted) for the same period of 2003. It should be noted that the company affected a four for one split of its common stock on June 1, 2004.

During the second quarter, The Meridian Resource Corporation (NYSE:TMR) successfully completed and placed its Biloxi Marsh Lands (BML) 24-1 well on production at approximately 5.7 million cubic feet (mmcf) of natural gas per day. According to TMR's public releases; Electric log analysis reflected apparent gas pay in two separate sands, the Cris "I" and the Big hum sand intervals. The well was tested from the Cris "I" sand interval, the deeper of the two sand intervals, through 12 feet of perforations between a gross pay interval of 9,600 feet and 9,642 feet MD at a stabilized gross daily flow rate of 8.3 mmcf of gas per day through a 22/64-inch choke. Flowing tubing pressure was measured at 2,674 psi and shut-in tubing pressure was measured at 3,032 psi. Meanwhile, the Ducros et al No. 32-1 well was logged following drilling operations with approximately 66 feet of apparent net gas pay between 11,495 feet and 11,642 feet MD. During completion operations, prior to perforating the well, a wireline gauge tool lodged in the production string. Due to the tool being lodged, TMR is in the process of re-completing the Ducros et al No. 32-1 well. If this well is successfully re-completed, BLMC will have a substantial interest in the already established unit from which this well would be produced. Also during the second quarter of 2004 TMR completed drilling and logging operations on the TMR-BML 27-1 well and, unfortunately, encountered no commercial hydrocarbons.

On June 25, 2004 TMR spudded its BML 7-2 well. As recently released by TMR, electric log analysis on the BML 7-2 well reflected approximately 70 feet of gross gas pay (64 feet net) in the Cris "I" sand interval between 9,033 feet and 9,103 feet measured depth ("MD"). The well was recently tested through 10 feet of perforations at a stabilized gross daily flow rate of 13.3 million cubic feet ("Mmcf") of gas per day through a 30/64-inch choke. Flowing tubing pressure was measured at 3,134 psi and shut-in tubing pressure was measured at 3,688 psi. TMR expects to place this well on production during August 2004 after completion of the pipeline and facility tie-ins. Additionally, TMR expects to place the BML 22/SL 17980 well and the Ducros et al No. 32-1 well on production by early September 2004 after the completion of the same pipeline. The drilling rig used to drill the BML 7-2 is being mobilized to drill the BML No. 7-3 from an adjacent location which is also on company property. The BML 7-3 well is expected to spud the well in the next several days. Drilling operations on the BML 7-3 are expected to be completed within 30 days. Prior to spudding the BML 7-2 well, on June 14, 2004 TMR spudded its BML 25-1. This well, located on company property, has been completed and we have been advised by TMR that they are presently in the process of evaluating it.

As of the date of this release the company owns a mineral royalty interest in nine producing wells. Two additional wells that have been successfully completed, logged and flow tested and are shut in awaiting the completion of the seven mile production pipeline which is currently under construction. One additional well has been successfully logged but is undergoing re-completion. This well's production is also dependent on the completion of the seven mile production pipeline. TMR is currently evaluating two additional wells which have been completed, including the BML 7-1 well which was producing on June 30, 2004, but is presently shut in. TMR has now drilled fourteen wells in which the company would own a substantial mineral royalty interest in the subsequent production. TMR has encountered gas pay in ten wells with three dry holes, and one presently under pre-production evaluation, while Manti Operation Company, who is no

longer actively exploring on company property, has encountered gas pay in two wells with one dry hole.

On June 30, 2004 the gross daily production emanating from all the wells in which BLMC has an interest was approximately 83 mmcf of natural gas (approximately 9.9 mmcf/d net to BLMC). This compares to the gross daily production of 80 mmcf (approximately 7.5 mmcf/d net to BLMC) on March 31, 2004 and compares to a gross daily rate of approximately 88 mmcf (approximately 8.9 mmcf net to BLMC) on December 31, 2003. It should be noted that the foregoing production data includes wells being operated by Manti Operating Company and TMR. While we have seen a decrease in the aggregate gross production from the wells which were producing at the end of 2003, this decrease has been more than offset by the addition of the TMR-BML 18-1, 19-1 and 24-1 wells and the company's net production attributable to each. Each of these wells was successfully placed on production during the first half of 2004. In addition to the wells mentioned above the BML 22/SL 17980 and the BML 7-2 wells have been successfully completed and flow tested, but are shut in awaiting the completion of the seven mile production pipeline.

"We are very pleased with our financial performance during the second quarter and first half of 2004. It is important for our shareholders to understand that the quarter was positively impacted by the high price of natural gas and \$2,096,103 in possibly non-recurring revenue. We are encouraged by the company's inclining net production rate which is directly attributable to TMR's additional successful well completions. As we released earlier this year, based on the proved reserve study commissioned by the company, the productive life of our wells completed prior to December 31, 2003 ranges from 2 to 5 years, with slightly more the 50% of the proved reserves depleting by the end of 2004. The fact that, after December 31<sup>st</sup>, we have seen the 19-1 and 24-1 wells placed on production, the BLM 22/SL 17980 and 7-2 wells successfully tested and the Ducros et al well successfully logged indicates that our net production should incline, or at least hold steady, over the next couple of quarters. Due to the relatively short life of our proved reserves the company's ability to maintain this incline, or even hold our net production rates steady, over the medium to long term is directly tied to TMR's continued success in its exploration and development program. While based on TMR's past successes we are hopeful, as a landowner we can not control and offer no guidance as to the chances of TMR's continued success" commented William B. Rudolf, President and Chief Executive Officer.

Biloxi Marsh Lands Corporations owns approximately 88,000 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.

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.

BILOXI MARSH LANDS CORPORATION  
 STATEMENTS OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY  
 INCOME TAX BASIS  
 JUNE 30, 2004 AND 2003

|  | Assets        |              |
|--|---------------|--------------|
|  | 2004          | 2003         |
| <b>Current assets</b>  |               |              |
| Cash and cash equivalents  | \$ 5,454,991  | \$ 3,306,833 |
| Total current assets   | 5,454,991     | 3,306,833    |
| <b>Investments</b>   |               |              |
| Marketable debt and equity securities  | 4,695,851     | 2,057,458    |
| Land - at cost   | 234,939       | 234,939      |
|  | 4,930,790     | 2,292,397    |
| <b>Property</b>  |               |              |
| Levees and office furniture and equipment<br>(net of accumulated depreciation of<br>\$159,805 for 2004 and \$144,452 for 2003) | 2,997         | 3,424        |
| Total assets   | \$ 10,388,778 | \$ 5,602,654 |
| <b>Liabilities and Stockholders' Equity</b>  |               |              |
| <b>Current liabilities</b>   |               |              |
| Income taxes payable   | \$ 1,004,790  | \$ 119,900   |
| Federal withholding on dividends payable   | -             | 585          |
| Payroll taxes payable  | 1,275         | 1,275        |
| Total current liabilities  | 1,006,065     | 121,760      |
| <b>Stockholders' equity</b>  |               |              |
| Preferred stock, \$0.001 par value-5,000,000 shares<br>authorized (none issued)  | -             | -            |
| Common stock, \$0.001 par value - 20,000,000 shares authorized,<br>2,851,196 shares issued, 2,754,428 shares outstanding       | 2,754         | 2,754        |
| Additional paid in capital   | 44,766        | 44,766       |
| Retained earnings  | 9,410,008     | 5,508,189    |
|  | 9,457,528     | 5,555,709    |
| Less cost of treasury stock - 96,768 shares  | (74,815)      | (74,815)     |
|  | 9,382,713     | 5,480,894    |
| Total liabilities and stockholders' equity   | \$ 10,388,778 | \$ 5,602,654 |

**BILOXI MARSH LANDS CORPORATION**  
**Statement of Revenue and Expenses and Retained Earnings**  
**June 30, 2004 and Comparable Period**

|  | <b>3 Months Ended<br/>June 30</b> |                     | <b>6 Months Ended<br/>June 30</b> |                     |
|--|-----------------------------------|---------------------|-----------------------------------|---------------------|
|  | <u>2004</u>                       | <u>2003</u>         | <u>2004</u>                       | <u>2003</u>         |
| <b>Oil and Gas</b>                             |                                   |                     |                                   |                     |
| Royalties (net of production taxes)            | \$ 3,911,078                      | \$ 1,536,604        | \$ 7,065,966                      | \$ 2,808,662        |
| Lease bonuses and delayed rentals              | 1,817,478                         | 119,175             | 2,062,796                         | 382,250             |
| Right of ways                                  | 278,625                           | 0                   | 283,625                           | 44,798              |
| <b>Total Oil and Gas</b>                       | <u>6,007,181</u>                  | <u>1,655,779</u>    | <u>9,412,387</u>                  | <u>3,235,710</u>    |
| <b>Other</b>                                   |                                   |                     |                                   |                     |
| Surface Rentals                                | 0                                 | 0                   | 0                                 | 2,413               |
| Dividends and interest                         | 30,315                            | 34,847              | 46,609                            | 56,795              |
| Gains (loss) on sale of securities             | 153,656                           | 121,796             | 362,485                           | 121,027             |
| <b>Total Other revenues</b>                    | <u>183,971</u>                    | <u>156,643</u>      | <u>409,094</u>                    | <u>180,235</u>      |
| <b>Total Revenue</b>                           | <u>6,191,152</u>                  | <u>1,812,422</u>    | <u>9,821,481</u>                  | <u>3,415,945</u>    |
| <b>Expenses</b>                                |                                   |                     |                                   |                     |
| <b>Total Expenses</b>                          | <u>242,896</u>                    | <u>133,443</u>      | <u>365,368</u>                    | <u>248,977</u>      |
| <b>Net Income before provision for taxes</b>   | <u>5,948,256</u>                  | <u>1,678,979</u>    | <u>9,456,113</u>                  | <u>3,166,968</u>    |
| <b>Income taxes</b>                            |                                   |                     |                                   |                     |
| Provision for income taxes                     | 1,979,000                         | 534,900             | 3,114,000                         | 1,014,900           |
| <b>Total Income Taxes</b>                      | <u>1,979,000</u>                  | <u>534,900</u>      | <u>3,114,000</u>                  | <u>1,014,900</u>    |
| <b>Net Income</b>                              | 3,969,256                         | 1,144,079           | 6,342,113                         | 2,152,068           |
| <b>Retained earnings - beginning of period</b> | <u>7,162,269</u>                  | <u>4,364,110</u>    | <u>4,789,413</u>                  | <u>4,044,728</u>    |
|  | 11,131,525                        | 5,508,189           | 11,131,526                        | 6,196,796           |
| <b>Dividends</b>                               | <u>1,721,517</u>                  | <u>0</u>            | <u>1,721,517</u>                  | <u>688607</u>       |
| <b>Retained earnings - end of year</b>         | <u>\$ 9,410,008</u>               | <u>\$ 5,508,189</u> | <u>\$ 9,410,009</u>               | <u>\$ 5,508,189</u> |
| <b>Per Share</b>                               | <u>\$ 1.44</u>                    | <u>\$ 0.42 *</u>    | <u>\$ 2.30</u>                    | <u>\$ 0.78 *</u>    |

\* - Adjusted for a 4 for 1 stock split effective June 1, 2004