

# Biloxi Marsh Lands Corporation announces un-audited results for the third quarter and first nine 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 September 30, 2004. Total revenue for the third quarter of 2004 was \$5,020,013 compared to total revenue of \$1,280,504 for the same period of 2003 and compared to total revenue of \$3,630,328 and \$6,191,152 for the first and second quarters of 2004 respectively. For the first nine months of 2004 revenue was \$14,841,493 compared to \$4,696,449 for the same period of 2003. During the third quarter of 2004 revenues from mineral royalties increased to \$4,568,127 from \$989,629 for the same period of 2003 and from \$3,154,888 and \$3,911,078 for the first and second quarters of 2004 respectively. Revenues were positively impacted during the third quarter of 2004 by lease bonus and delayed rental payments in the amount of \$300,144 all of which may not recur and \$88,877 in non-recurring right of way payments. This compares to lease bonus, delay rental and lease extension payments in the amount \$1,817,478 and right of way payments in the amount of \$278,625 for the second quarter of 2004. Meanwhile, operating expenses for the third quarter of 2004 were \$204,439 compared to operating expenses of \$220,915 for the same period of 2003. Net earnings were \$3,043,574 or \$1.11 per share for the third quarter of 2004 compared to \$725,489 or \$.26 per share (split adjusted) for the same period of 2003 and compared to \$.86 per share (split adjusted) and \$1.44 per share for the first and second quarters of 2004 respectively. For the first nine months of 2004 net earnings were \$9,385,684 or \$3.41 per share compared to \$2,877,556 or \$1.04 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.

As previously announced, during its meeting on October 5, 2004 the Board of Directors declared a special cash dividend of \$1.00 per share of common stock payable on October 27, 2004 to shareholders of record as of the close of business on October 14, 2004. This dividend will be the third special dividend paid during 2004 bringing the total amount paid to \$2.63 per share (split adjusted) of outstanding common stock.

During the third quarter, The Meridian Resource Corporation (NYSE:TMR) placed its Biloxi Marsh Lands (BML) 5/SL 17772-1, BML 7-2, BML 7-3, BML 8-1, BML 22/SL 17980-1, and S/L 17958 (formerly Ducros et al No. 32-1) wells on production. As of September 30, 2004 the company owns a mineral royalty interest in fifteen producing wells up from nine producing wells as of the end of the second quarter of 2004. On September 30, 2004 the gross daily production emanating from all the wells in which BLMC has an interest was approximately 107 mmcf of natural gas (approximately 15.5 mmcf/d net to BLMC) as compared to 83 mmcf (approximately 9.9 mmcf/d net to BLMC) on June 30, 2004. It should be noted that the foregoing production data includes wells being operated by Manti Operating Company and TMR. The increase in gross and net production rates is directly attributable to the six additional wells which were placed on production by TMR during the third quarter.

TMR is currently drilling its Juno prospect on company property and they advise that there are additional drill sites on or near BLMC's acreage which are currently in the governmental permitting process. TMR advises that they plan to have additional drilling rigs working once permitting and dredging delays have been overcome. During the third quarter it appears that the BML 23/SL 17768-1, and the BML 19-2 wells were not successful and have been either plugged and abandoned or temporarily abandoned.

"For the first nine months of this year our financial performance has been unprecedented and outstanding. Due to the large lease extension payment received during the second quarter our total revenues for the third quarter were down slightly as compared to the second quarter. Despite this fact, we are very pleased with the notable increase in revenues derived from mineral royalties and the significant increase in our net daily production. Our increase in net daily production rates combined with another large lease extension payment which is due in December should translate into a relatively strong fourth quarter." commented William B. Rudolf, President and Chief Executive Officer.

Biloxi Marsh Lands Corporation 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  
SEPTEMBER 30, 2004 AND 2003

Assets

	<u>2004</u>	<u>2003</u>
<b>Current assets</b>		
Cash and cash equivalents	\$ 4,697,292	\$ 1,969,260
Prepaid Taxes	<u>-</u>	<u>221,050</u>
<b>Total current assets</b>	<u>4,697,292</u>	<u>2,190,310</u>
<b>Investments</b>		
Marketable debt and equity securities – at cost	5,145,490	2,746,595
Land - at cost	<u>234,939</u>	<u>234,939</u>
	<u>5,380,429</u>	<u>2,981,534</u>
<b>Property</b>		
Levees and office furniture and equipment (net of accumulated depreciation of \$161,476 for 2004 and \$146,420 for 2003)	<u>2,041</u>	<u>2,903</u>
<b>Total assets</b>	<u>\$ 10,079,762</u>	<u>\$ 5,174,747</u>

Liabilities and Stockholders' Equity

<b>Current liabilities</b>		
Income taxes payable	\$ 407,084	\$ -
Payroll taxes payable	<u>821</u>	<u>1,275</u>
<b>Total current liabilities</b>	<u>407,905</u>	<u>1,275</u>
<b>Stockholders' equity</b>		
Preferred stock, \$0.001 par value-5,000,000 shares authorized (none issued)	-	-
Common stock, \$0.001 par value - 20,000,000 shares authorized, 2,851,196 shares issued, 2,754,428 shares outstanding	2,754	2,754
Additional paid in capital	44,766	44,766
Retained earnings	<u>9,699,152</u>	<u>5,200,767</u>
	9,746,672	5,248,287
Less cost of treasury stock - 96,768 shares	<u>(74,815)</u>	<u>(74,815)</u>
	<u>9,671,857</u>	<u>5,173,472</u>
<b>Total liabilities and stockholders' equity</b>	<u>\$ 10,079,762</u>	<u>\$ 5,174,747</u>

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

	<b>3 Months Ended September 30</b>		<b>9 Months Ended September 30</b>	
	<u>2004</u>	<u>2003</u>	<u>2004</u>	<u>2003</u>
<b>Oil and Gas</b>				
Royalties (net of production taxes)	\$ 4,568,127	\$ 989,629	\$ 11,634,093	\$ 3,798,291
Lease bonuses and delayed rentals	300,144	52,641	2,362,941	434,891
Right of ways	88,877	0	372,501	44,798
<b>Total Oil and Gas</b>	<u>4,957,148</u>	<u>1,042,270</u>	<u>14,369,535</u>	<u>4,277,980</u>
<b>Other</b>				
Surface Rentals	30,070	13,735	30,070	16,148
Miscellaneous Income	3,761	0	3,761	0
Dividends and interest	30,256	17,680	76,865	74,475
Gains (loss) on sale of securities	-1,222	206,819	361,262	327,846
<b>Total Other revenues</b>	<u>62,865</u>	<u>238,234</u>	<u>471,958</u>	<u>418,469</u>
<b>Total Revenue</b>	<u>5,020,013</u>	<u>1,280,504</u>	<u>14,841,493</u>	<u>4,696,449</u>
<b>Expenses</b>				
<b>Total Expenses</b>	<u>204,439</u>	<u>220,915</u>	<u>569,809</u>	<u>469,893</u>
<b>Net Income before provision for taxes</b>	<u>4,815,574</u>	<u>1,059,589</u>	<u>14,271,684</u>	<u>4,226,556</u>
<b>Income taxes</b>				
Provision for income taxes	1,772,000	334,100	4,886,000	1,349,000
<b>Total Income Taxes</b>	<u>1,772,000</u>	<u>334,100</u>	<u>4,886,000</u>	<u>1,349,000</u>
<b>Net Income</b>	3,043,574	725,489	9,385,684	2,877,556
<b>Retained earnings - beginning of period</b>	<u>9,410,006</u>	<u>5,508,188</u>	<u>4,789,413</u>	<u>4,044,728</u>
	12,453,580	6,233,677	14,175,097	6,922,284
<b>Dividends</b>	<u>2,754,428</u>	<u>1,032,910</u>	<u>4,475,945</u>	<u>1,721,517</u>
<b>Retained earnings - end of year</b>	<u>\$ 9,699,152</u>	<u>\$ 5,200,767</u>	<u>\$ 9,699,152</u>	<u>\$ 5,200,767</u>
<b>Per Share</b>	<u>\$ 1.11</u>	<u>\$ 0.26 *</u>	<u>\$ 3.41</u>	<u>\$ 1.04 *</u>

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