

## Biloxi Marsh Lands Corporation announces un-audited results for the third quarter and first nine months of 2006 and provides update

**Metairie, LA** – October 27, 2006 - Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announced its un-audited results for the periods ending September 30, 2006. Total revenue for the third quarter of 2006 was \$2,737,714 compared to total revenue of \$5,333,193 for the same period of 2005. For the first nine months of 2006 revenue was \$13,444,962 compared to \$19,334,244 for the same period of 2005. During the third quarter of 2006 revenues from mineral royalties decreased to \$2,323,994 from \$4,772,521 for the same period of 2005. It should be noted that the first 9 months of 2006 included 11 monthly natural gas production payments as compared to the normal 9 monthly payments (5 payments received during Q1-2006; 3 payments received during Q2-2006; 3 payments received during Q3-2006). The increased number of payments received during Q1-2006 was due to a timing difference and was a one time event due to the Company taking its gas “in kind” as of December of 2005. Revenues were positively impacted during the third quarter of 2006 by lease bonus payments in the amount of \$203,767 received for granting two new Oil, Gas and Mineral Leases. Meanwhile, operating expenses for the third quarter of 2006 were \$290,872 compared to operating expenses of \$292,467 for the same period of 2005. Net earnings were \$1,731,338 or \$0.63 per share for the third quarter of 2006 compared to \$3,119,329 or \$1.13 per share for the same period of 2005, and for the first nine months of 2006 net earnings were \$8,401,798 or \$3.05 per share compared to \$11,641,302 or \$4.23 per share for the same period of 2005.

As previously announced, the Board of Directors declared a cash dividend of \$2.00 per share of common stock that was paid on October 12, 2006 to shareholders of record as of the close of business on October 4, 2006. This dividend is the second paid during 2006, bringing the total amount of dividends paid during the year to \$4.00 per share.

As of September 30, 2006 the combined gross daily production from 14 wells including those operated by The Meridian Resource & Exploration, LLC and Manti Jambi, Inc. was approximately 26 mmcf with net daily production accruing to the Company of approximately 2.8 mmcf. As of the date of this release there are no wells being drilled in which the company has an interest.

“While we are keenly aware of the declining production rates of our older wells, we are encouraged by the execution of the two new Oil, Gas and Mineral Leases. We are also hopeful that recent activities will lead to the drilling of more wells in which the company has an interest.” commented William B. Rudolf, President and Chief Executive Officer.

We remind our shareholders and interested parties that St. Bernard Parish, Louisiana, the Parish where our property is located, was indescribably devastated by Hurricane Katrina. To assist in the Parish’s rebuilding the Company has established and funded the Biloxi Marsh Disaster Relief Fund Corporation. Detailed information about the fund is available on its website [www.selarelieff.com](http://www.selarelieff.com) During the first nine months of

2006 the fund applied for and received IRS 501 (c) (3) tax exempt status making all contributions to the fund tax deductible. Those living outside the hurricane affected zone and all interested parties are asked to remember the people of St. Bernard Parish, Louisiana by donating to the Biloxi Marsh Disaster Relief Fund Corporation. You may send a check to the fund at the company's address or contribute using a credit card on the Fund's website: [www.selarelief.com](http://www.selarelief.com)

Biloxi Marsh Lands Corporation owns approximately 90,000 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.

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 information relative to Hurricanes Katrina and Rita, historical press releases, historical financial statements and general information.

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.

Contact:  
Biloxi Marsh Lands Corporation  
Colleen Starks: 504-837-4337

[www.biloximarshlandscorp.com](http://www.biloximarshlandscorp.com)

**BILOXI MARSH LANDS CORPORATION**

## Statements of Assets, Liabilities, and Stockholders' Equity

September 30, 2006 and 2005

| <b>Assets</b>   | <b>2006</b>          | <b>2005</b>       |
|---|----------------------|-------------------|
| Current assets:   |                      |                   |
| Cash and cash equivalents   | \$ 5,546,671         | 1,991,784         |
| Total current assets  | <u>5,546,671</u>     | <u>1,991,784</u>  |
| Investments:  |                      |                   |
| Marketable debt and equity securities - at cost   | 13,673,433           | 14,349,111        |
| Other - at cost   | 1,500,000            | —                 |
| Land - at cost  | 234,939              | 234,939           |
|   | <u>15,408,372</u>    | <u>14,584,050</u> |
| Property:   |                      |                   |
| Levees and office furniture and equipment (net of<br>accumulated depreciation of \$205,204)<br>(\$168,553 at 2005)      | —                    | 2,898             |
| Total assets  | <u>\$ 20,955,043</u> | <u>16,578,732</u> |
| <b>Liabilities and Stockholders' Equity</b>   |                      |                   |
| Current liabilities:  |                      |                   |
| Federal income taxes payable  | \$ 1,645,455         | 2,221,293         |
| State income taxes payable  | 132,204              | 320,149           |
| Payroll taxes payable   | 1,542                | 1,833             |
| Total current liabilities   | <u>1,779,201</u>     | <u>2,543,275</u>  |
| Stockholders' equity:   |                      |                   |
| Common stock, par value \$.001 - 20,000,000 shares authorized,<br>2,851,196 shares issued, 2,754,428 shares outstanding | 47,520               | 47,520            |
| Retained earnings   | 19,203,137           | 14,062,752        |
|   | <u>19,250,657</u>    | <u>14,110,272</u> |
| Less cost of treasury stock - 96,768 shares   | <u>(74,815)</u>      | <u>(74,815)</u>   |
| Total liabilities and stockholders' equity  | <u>\$ 20,955,043</u> | <u>16,578,732</u> |

**BILOXI MARSH LANDS CORPORATION**  
**Statements of Revenues and Expenses and Retained Earnings**  
**September 30, 2006 and Comparable Period**

|  | <b>3 Months Ended</b> |                      | <b>9 Months Ended</b> |                      |
|--|-----------------------|----------------------|-----------------------|----------------------|
|  | <b>September 30</b>   |                      | <b>September 30</b>   |                      |
|  | <b>2006</b>           | <b>2005</b>          | <b>2006</b>           | <b>2005</b>          |
| <b>Revenues:</b>                             |                       |                      |                       |                      |
| <b>Oil and Gas</b>                           |                       |                      |                       |                      |
| Lease bonuses and delayed rentals            | \$ 203,767            | \$ 75,024            | \$ 215,121            | \$ 1,401,812         |
| Pipeline right of ways                       | -                     | -                    | -                     | 104,660              |
| Royalties (net of production taxes)          | <u>2,323,994</u>      | <u>4,772,521</u>     | <u>12,602,665</u>     | <u>16,682,195</u>    |
| Total Oil and Gas                            | <u>2,527,761</u>      | <u>4,847,545</u>     | <u>12,817,786</u>     | <u>18,188,667</u>    |
| <b>Other:</b>                                |                       |                      |                       |                      |
| Dividends and interest                       | 263,531               | 104,758              | 680,754               | 248,290              |
| Gain on sale of securities                   | (59,088)              | 372,222              | (59,088)              | 888,620              |
| Surface rentals                              | <u>5,510</u>          | <u>8,668</u>         | <u>5,510</u>          | <u>8,668</u>         |
| Total Other revenues                         | <u>209,953</u>        | <u>485,648</u>       | <u>627,176</u>        | <u>1,145,577</u>     |
| Total Revenue                                | <u>2,737,714</u>      | <u>5,333,193</u>     | <u>13,444,962</u>     | <u>19,334,244</u>    |
| <b>Expenses</b>                              |                       |                      |                       |                      |
| Total Expenses                               | <u>290,872</u>        | <u>292,467</u>       | <u>1,270,088</u>      | <u>824,865</u>       |
| Net Income before provision for income taxes | <u>2,446,842</u>      | <u>5,040,726</u>     | <u>12,174,874</u>     | <u>18,509,379</u>    |
| <b>Income taxes</b>                          |                       |                      |                       |                      |
| Provision for income taxes                   | <u>715,504</u>        | <u>1,921,397</u>     | <u>3,773,077</u>      | <u>6,868,077</u>     |
| Net Income                                   | 1,731,338             | 3,119,329            | 8,401,798             | 11,641,302           |
| <b>Retained Earnings-beginning of period</b> |                       |                      |                       |                      |
|  | <u>17,471,799</u>     | <u>13,697,851</u>    | <u>16,310,195</u>     | <u>11,380,080</u>    |
|  | 19,203,137            | 16,817,180           | 24,711,993            | 23,021,382           |
| <b>Dividends</b>                             |                       |                      |                       |                      |
|  | <u>-</u>              | <u>2,754,428</u>     | <u>5,508,856</u>      | <u>8,958,630</u>     |
| <b>Retained earnings-end of period</b>       |                       |                      |                       |                      |
|  | <u>\$ 19,203,137</u>  | <u>\$ 14,062,752</u> | <u>\$ 19,203,137</u>  | <u>\$ 14,062,752</u> |
| Per Share                                    | <u>\$ 0.63</u>        | <u>\$ 1.13</u>       | <u>\$ 3.05</u>        | <u>\$ 4.23</u>       |