

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Unaudited Results for the Third Quarter and First Nine Months of 2008 and provides update

Metairie, LA., October 31, 2008 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the third quarter and first nine months of 2008 and provides update. Total revenue for the third quarter of 2008 was \$249,062 compared to total revenue of \$351,263 for the same period of 2007. For the first nine months of 2008 revenue was \$3,312,461 compared to \$3,021,156 for the same period of 2007. For the third quarter total revenue includes a loss of \$594,213 emanating from partnership income/loss which represents the Company's interest in B&L Exploration, LLC compared to a net loss of \$629,522 in the same category for the third quarter of the prior year. The losses are attributable to costs associated with B&L Exploration's participation in drilling programs during the third quarter of each year. During the third quarter of 2008, oil and gas revenues were \$743,799 compared to \$825,598 for the same period of 2007. It should be noted that BLMC did not receive any revenue from production of natural gas during May of 2008 due to the fact that the sales point, El Paso's Tennessee Gas Pipeline, was shut-in during the month of May for repairs. Additionally, the majority of BLMC production was shut-in from August 31 until September 20, 2008 due to Hurricanes Gustav and Ike. For the third quarter of 2008, gains on the sale of investments were \$7,374 compared to \$10,190 during the third quarter of 2007. Meanwhile, operating expenses for the third quarter of 2008 were \$266,386 compared to operating expenses of \$287,446 for the same period of 2007. Net earnings were \$39,532 or \$.01 per share for the third quarter of 2008 compared to \$103,525 or \$.04 per share for the same period of 2007, and for the first nine months of 2008 net earnings were \$1,714,582 or \$.62 per share compared to \$1,648,693 or \$.60 per share for the same period of 2007.

As of September 30, 2008 the combined gross daily production rate from 10 wells operated by the Company's mineral Lessees was approximately 11.3 million cubic feet of gas (mmcfg) with net daily production accruing to the Company of approximately 1.2 mmcfg.

The two producing wells in which B & L Exploration, LLC (B&L) has a working interest, SL 18955 #1 well and SL 18957 #1 well were shut-in for repairs to a compressor on the production facility as of September 30, 2008. While we anticipate that production will be reestablished, it should be noted that these wells are in the late stages of their productive lives.

Meanwhile, on October 25, 2008 the SL 19064 #1 well was placed on production at a daily flow rate of approximately 1.6 mmcfg per day. One of B&L's partners and the operator, Gulf Production Company, advises that they plan to produce this well in the 1.5 to 2.0 mmcfg per day range for the first 10 to 15 days then increase the flow rate to around 2.5 to 3.0 mmcfg per day. Construction crews are presently working on construction of the flowline to produce the Lake Eugenie Land & Development #1 well. Gulf Production advises that this well is scheduled to be producing natural gas prior to the end of November 2008. Construction of the flowlines to produce SL 19064 #1 and the Lake Eugenie Land & Development #1 wells was

delayed due to Hurricanes Gustav and Ike. Initial proved reserve reports completed by an independent reservoir engineer estimate that the combined proved reserves assigned to the SL 19064 Well and the Lake Eugenie Land & Development #1 well are significantly more than the initial estimated combined proved reserves that were assigned to the SL 18955 #1 and the SL 18957 wells referenced in the foregoing paragraph. B &L has a 32.813% working interest in the SL 19064 #1 well and the Lake Eugenie Land & Development #1 well.

On January 31, 2008 we announced our participation in the NAPE Expo in Houston, Texas (please see www.napeonline.com). With the assistance of BLX's technical consultants we presented acreage under the control of BLX showing two Tuscaloosa prospects (Alpha and Beta) developed over the past 12 to 18 months using existing geological well control and 3D seismic data (see the Company's website www.biloximarshlandscorp.com for additional information). While we continue to develop a strategy to test the Tuscaloosa sand interval, these deeper Tuscaloosa prospects are much more difficult to place than the shallower drilling packages previously placed by BLX. Though our job has become more challenging in recent weeks due to worldwide economic conditions, we are continuing our efforts to place Alpha and Beta prospects as well as additional shallower prospects, while we are working on new strategies for marketing our property.

William B. Rudolf, President and CEO, commented: "With delays and production interruptions attributable to the passage of Hurricanes Gustav and Ike combined with the advent of the worldwide financial crisis the third quarter was challenging. Now that we have these delays and interruptions behind us, we are hopeful that the next few months will yield increased revenues from B&L Exploration, LLC. With newly discovered reserves, a strong balance sheet and a partial shift away from investment in equities during June of 2008, we continue to position the Company for the future."

The Company maintains a website; www.biloximarshlandscorp.com and we strongly recommend that all investors and interested parties visit the website to view historical press releases, historical financial statements including *President's Report to Shareholders*, and general information about the company. During January 2008 we moved our office to One Galleria Blvd., Suite #902. Complete and updated contact information is available on the Company's website: www.biloximarshlandscorp.com .

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 land. The company also derives revenues from its 75% ownership interest in B&L Exploration, LLC and 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”, “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.

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BILOXI MARSH LANDS CORPORATION

Statements of Assets, Liabilities, and Stockholders' Equity

September 30, 2008 and Comparable Period

Assets	<u>2008</u>	<u>2007</u>
	<u>Accrual</u>	<u>Accrual</u>
Current assets:		
Cash and cash equivalents	\$ 7,628,925	\$ 1,416,420
Royalty receivable	140,106	343,397
Prepaid Expenses	59,265	59,019
Accrued interest receivable	59,124	89,122
Prepaid federal income taxes	82,244	240,226
Prepaid state income taxes	31,483	146,996
	<u>8,001,147</u>	<u>2,295,180</u>
Investments:		
Other investments	1,713,637	1,466,642
Marketable debt and equity securities - at cost	6,167,159	13,101,356
Land - at cost	234,939	234,939
	<u>8,115,735</u>	<u>14,802,937</u>
	<u>16,116,882</u>	<u>17,098,117</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
State Income Tax Payable	\$ —	\$ —
Deferred tax liability	153,178	770,000
Other current liabilities	51,535	65,207
Payroll taxes payable	—	2,377
	<u>204,713</u>	<u>837,584</u>
Stockholders' equity:		
Common stock, par value \$.001 - 20,000,000 shares authorized, 2,851,196 shares issued, 2,754,428 shares outstanding	47,520	47,520
Retained earnings	15,939,464	16,287,828
	<u>15,986,984</u>	<u>16,335,348</u>
Less cost of treasury stock - 96,768 shares	<u>(74,815)</u>	<u>(74,815)</u>
Retained earnings-beginning of period	<u>15,912,169</u>	<u>16,260,533</u>
Total liabilities and stockholders' equity	<u>\$ 16,116,882</u>	<u>\$ 17,098,117</u>

BILOXI MARSH LANDS CORPORATION
 Statements of Revenues and Expenses and Retained Earnings
 September 30, 2008 and Comparable Period

	3 Months Ended September 30		9 Months Ended September 30	
	2008	2007	2008	2007
Revenues:				
Oil and gas				
Pipeline Right of Ways	\$ -	\$ -	\$ 25,031	\$ -
Lease bonuses and delayed rentals	-	-	-	20,250
Royalties (net of production taxes)	743,799	825,598	2,347,457	3,340,887
Total oil and gas	743,799	825,598	2,372,488	3,361,137
Other:				
Partnership income (loss)	(594,213)	(629,522)	162,001	(1,059,353)
Dividends and interest	80,834	139,927	245,589	388,850
Gain on sale of securities	7,374	10,190	521,115	322,502
Surface rentals	11,268	5,070	11,268	8,020
Total other revenues	(494,737)	(474,335)	939,973	(339,981)
Total revenue	249,062	351,263	3,312,461	3,021,156
Expenses				
Total expenses	266,386	287,446	931,843	768,525
Net Income before provision for income taxes	(17,324)	63,817	2,380,618	2,252,631
Income taxes				
Provision for income taxes	(56,856)	(39,708)	666,036	603,938
Net Income	39,532	103,525	1,714,582	1,648,693
Retained earnings-beginning of period	15,899,932	16,184,303	14,224,882	14,639,135
	15,939,464	16,287,828	15,939,464	16,287,828
Dividends	-	-	-	-
Retained earnings-end of period	\$ 15,939,464	\$ 16,287,828	\$ 15,939,464	\$ 16,287,828
Net Income Per Share	\$ 0.01	\$ 0.04	\$ 0.62	\$ 0.60