

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Settlement of Litigation and Declares Special Dividend

Metairie, LA., July 14, 2009 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announces the settlement of the litigation pending since 2001 in the Louisiana State Court in St. Bernard Parish. This litigation emanated from title disputes relating to a certain tract of land owned by the Company that has been and is currently having natural gas produced from beneath its surface. Including the Company, there were three adverse claimants to this tract of land. Please refer to the following link and read the President's Report to Shareholders dated March 18, 2009 for supplemental information on the litigation: www.biloximarshlandscorp.com . As we advised in our May 8, 2009 press release, since early on in the litigation the Company pursued settlement discussions with the adverse claimants. As of May 8th, settlement discussions between the Company and the adverse parties appeared to be progressing. The Company is pleased to announce that settlement agreements have been reached effective July 1, 2009 binding all of the parties to the litigation and resulted in the dismissal of all litigation between the settling parties. In accordance with the settlement agreements, the Company received via wire transfer on Friday, July 10, 2009 a onetime settlement payment of \$23,949,171. Also, under the terms and provisions of the settlement, in addition to receiving the settlement funds, the Company will remain the sole owner of the property and has the exclusive right to enter into oil, gas and mineral leases. The fully executed settlement agreements have been recorded in the Conveyance Records of St. Bernard Parish in order to evidence, bind and properly document all the terms and conditions of the full and final settlement agreements. This payment of settlement funds is a onetime nonrecurring event.

As a result of the receipt of the settlement funds and the end of the litigation, during its July 14th meeting the Board of Directors declared a \$2.00 per share special dividend payable on Wednesday, July 29, 2009 to shareholders of record as of the close of business on Friday, July 24, 2009. The settlement funds are taxable income to the Company, as they represent proceeds paid on natural gas production attributable to the disputed tract which will result in the Company facing substantial future income tax liabilities. Management is actively formulating and intends to vigorously pursue a strategy that it believes will increase the Company's oil and gas reserves while, at the same time, hopefully mitigate the Company's current income tax liabilities.

It should be noted that the announced settlement does not involve the disputes raised in the pending litigation in State Court in St. Bernard Parish with the State of Louisiana regarding the State's claims to certain waterbottoms owned by the Company. As of this time, there is approximately \$13.5mm deposited in the various consursus accounts established to hold the funds relating to these disputes between the Company and the State of Louisiana. Again, please refer to the March 18, 2009 President's Report to Shareholders for additional information, a copy of which is available on the Company's website: www.biloximarshlandscorp.com .

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.

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 as well as its proportional share of revenue generated by B&L Exploration, LLC (BLX). 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", "outlook", and "anticipates" and similar expressions as they relate to the Company or its management are intended to identify forward-looking statements.

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