

# **Biloxi Marsh Lands Corporation**

**One Galleria Blvd., Suite #902**

**Metairie, Louisiana 70001**

**Phone: (504) 837-4337**

**Fax: (504) 837-1889**

## **Biloxi Marsh Lands Corporation Announces Results for the Fourth Quarter of 2008, 12 Months ending December 31, 2008**

Metairie, LA., March 6, 2009 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) announces audited results for the periods ending December 31, 2008 and provides update. Total Oil and Gas revenues for the three months ending December 31, 2008 were \$875,233 compared to \$1,500,126 for the fourth quarter of 2007. During the second quarter of 2008, management decided to realign its treasury investments reducing the Company's exposure to equity investments. This decision prompted the sale of equity securities during the second and third quarters of 2008. As a result, the Company carried a gain realized from the sale of securities of \$521,115 on its books through the third quarter of 2008. Due to the precipitous decline in the value of equity investments, during the fourth quarter of 2008 management decided to offset the gain realized from the sale of securities realized during the second and third quarters. This decision created a loss on the sale of securities of \$547,811 for the fourth quarter, while significantly increasing the Company's liquidity. Also during the fourth quarter, the Company recognized a \$775,016 loss in the Partnership Income category compared to revenue of \$84,994 for the same period of the prior year. For the fourth quarter of 2008, our quarterly loss was \$637,766 or \$.23 per share compared to a profit of \$691,915 or \$.25 per share for the same period of 2007. This quarterly loss was primarily due to the sale of equity securities during the quarter to offset gains taken during the second and third quarters of 2008. Meanwhile, for the year total revenue was \$2,960,529 compared to \$4,639,317 for the prior year. The annual revenue breakdown is as follows: 2008 revenue from oil and gas activity was \$3,247,721 compared to revenue of \$4,861,263 in 2007. Dividend and interest income was \$330,394 compared to \$521,942 for 2007. In 2008 we incurred a loss from the sale of investment securities in the amount of \$26,696 as compared to a gain from the sale of investment securities of \$208,600 in 2007. The loss from the Partnership Income category was \$613,015 for 2008 compared to \$974,359 for 2007. While this loss was primarily due to start up costs related to the construction of flowlines for the SL 19064 #1 and the LKEU #1 wells, it should be noted that we were able to expense \$855,599 and \$212,995 for Depreciation, Depletion, and Amortization during 2008 and 2007 respectively. Meanwhile, total expenses for the year were \$1,643,448 compared to \$1,432,138 for 2007. For the year net earnings were \$1,076,816 or \$.39 per share compared to \$2,340,175 or \$.85 per share in 2007.

As of December 31, 2007 the combined gross daily production rate from 11 wells operated by the Company's mineral Lessees was approximately 10.7 million cubic feet (mmcf) of natural gas with net daily production accruing to the Company of approximately 1.1 mmcf. Combining this daily production with the Company's proportional share of the daily production from the B&L Exploration, LLC (BLX) wells makes the total net daily production accruing to the Company as of December 31, 2008 approximately 2.2 mmcf. While the SL 18955 #1 and 18957 #1 wells are near the end of their productive lives, the SL 19064 #1 and LKEU #1 wells were being brought on production during December of 2008. It should be noted that as of March 1, 2009, the combined daily production rates from all of the BLX wells was approximately 9.0 mmcf. This makes the total net daily natural gas production accruing to the Company (Lessee wells and BLX wells) as of March 1, 2009 approximately 2.7 mmcf. The Company owns a 75% interest in BLX.

The yearend reserve study commissioned by the Company and completed by an independent reservoir engineer estimates that as of December 31, 2008 the Company's "Developed Producing" (PDP) reserves were .819 billion cubic feet (BCF) of natural gas and estimates that the "Developed Non-Producing" (PDNP) reserves were .641 BCF, with the "Proved Un-Developed" (PUD) reserves being 1.032 BCF, totaling 2.492 BCF of estimated proved natural gas reserves. While for the years ending 2008 and 2007 the total amount of proved reserves remained constant at approximately 2.5 BCF, the "Proved Developed Producing" (PDP) reserves decreased year over year from approximately .91 BCF to .82 BCF, a decrease of .09 BCF in PDP reserves. Additionally, this reserve study estimates that slightly less than 20% of the PDP and PDNP reserves will deplete by the end of 2009. In addition to the foregoing estimated proved reserves, another proved reserve study completed by the same independent reservoir engineer estimates that BLX's proved reserves as of December 31, 2008 were 1.436 billion cubic feet (BCF) of natural gas compared to 1.0263 BCF at the end of 2007. Based upon the Company's seventy-five percent ownership of BLX, as of December 31, 2008 the portion of the estimated reserves allocated to the Company was 1.08 BCF of natural gas. Combining the Company's portion of the proved reserves in both studies increases the estimated proved reserves accruing to the Company to 3.57 BCF of natural gas. This compares to total proved reserves allocated to the Company as December 31, 2008 of 3.3 BCF, a slight increase year over year of .27 BCF. The proved reserve studies referenced above include explanatory notes that are an integral part of each study. A copy of the 2009 *President's Report to Shareholders* that includes these notes will be available on the Company's website after March 20, 2009. We recommend that all interested parties refer to our website to view these notes and other relevant information: [www.biloximarshlandscorp.com](http://www.biloximarshlandscorp.com).

Two years ago, during 2007 the Company returned to its custom of paying one dividend per calendar year. During 2008 we paid \$1.00 per share of outstanding common stock or \$2,754,428 in November. It is anticipated that the custom of paying one dividend per calendar year will be followed in 2009. It should be noted that during 2008, the Company paid a dividend equating to significantly more than its net earnings for 2008. Since 2002 the Company has paid close to \$39,000,000 in total dividends.

William B. Rudolf, President and CEO, commented: "While we are keenly aware of difficult business climate created by the decline in commodity prices, we are pleased that we have been able to replace our reserves year over year and have been able to keep our daily production rates relatively steady. During the second quarter of 2008, we took steps to insulate the Company's treasury from fluctuations in the equity markets and will continue to look at ways to preserve shareholder value, while moving the Company forward in a cautious and prudent manner."

The Company maintains a website; [www.biloximarshlandscorp.com](http://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](http://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 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", "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 audited financial statements, but do not include the information and footnotes that are an integral part of the complete financial statements. A complete copy of the *Financial Statements and Schedule, Years Ended December 31, 2008 and 2007* along with the 2009 *President's Report to Shareholders* and the Company's *Proxy Statement* will be available after March 20, 2009 on our website [www.biloximarshlandscorp.com](http://www.biloximarshlandscorp.com) or through requesting a copy in writing; from the Company - Attention: Investor Relations, Biloxi Marsh Lands Corporation, One Galleria Blvd., Suite #902, Metairie, LA 70001.

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

**BILOXI MARSH LANDS CORPORATION**

Statements of Assets, Liabilities, and Stockholders' Equity-Income Tax Basis

December 31, 2008 and 2007

Assets	2008	2007
Current assets:		
Cash and cash equivalents	\$ 5,249,590	2,197,864
Marketable debt and equity securities - at cost	—	4,685,887
Accounts receivable	271,005	419,572
Accrued interest receivable	53,763	64,071
Prepaid federal income taxes	322,578	—
Payroll Taxes Receivable	2,068	—
Prepaid expenses	36,926	40,488
Prepaid state income taxes	62,731	18,744
Other Assets	3,830	—
Total current assets	6,002,491	7,426,626
Investments:		
Other investments	938,621	1,551,636
Marketable debt and equity securities - at cost	5,346,972	5,713,702
Land - at cost	234,939	234,939
	6,520,532	7,500,277
Total assets	\$ 12,523,023	14,926,903
<b>Liabilities and Stockholders' Equity</b>		
Current Liabilities		
Federal income taxes payable	\$ —	36,420
Deferred tax liability	—	612,715
Accrued expenses	42,778	50,065
Payroll taxes payable	—	27,956
Other current liabilities	2,520	2,160
Total current liabilities	45,298	729,316
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	12,547,270	14,224,882
	12,594,790	14,272,402
Less cost of treasury stock - 96,768 shares	(117,065)	(74,815)
Total liabilities and stockholders' equity	\$ 12,523,023	14,926,903