

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 Unaudited Results for the First Quarter of 2017 and provides update

Metairie, LA., May 12, 2017 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announces its unaudited results for the first quarter of 2017 and provides update. The Company's revenue for the three months ending March 31, 2017 from oil and gas production for its fee lands was \$58,016 compared to revenue of \$34,094 in 2016.

Meanwhile, dividend and interest income for the first three months of 2017 was \$23,464, compared to \$32,602 for the first three months of 2016. During the first quarter of 2017, total revenues were reduced by \$110,076 from the Company's investment in B&L Exploration, LLC (B&L). This compares to a reduction of \$284,309 from B&L for the first quarter of 2016. Expenses for the quarter were \$158,365 compared to \$188,973 for the same period in 2016. The Company incurred a net loss of \$186,961 or \$.07 per share for the first quarter of 2017 compared to a net loss of \$253,747 or \$.10 per share in 2016.

As of March 31, 2017, the combined net daily production accruing to the Company from 6 wells operated by the Company's mineral lessees was approximately .025 million cubic feet of natural gas (Mmcfg) and 2 barrels of oil per day (BOPD). Meanwhile, as of March 31, 2017, B&L's net daily production from 7 wells was approximately 1.74 Mmcfg and 40 BOPD.

As previously reported, the Company has filed a claim against the US Army Corps of Engineers (USACE) for property damage and losses caused by the Mississippi River Gulf Outlet (MRGO). The United States Court of Federal Claims has set a preliminary trial date for October of 2017, and the discovery process is well underway. While the litigation is moving forward, it is still anticipated that this will be a long process.

On January 3, 2017 the Louisiana Coastal Protection and Restoration Authority (CPRA) released a draft of its 2017 Coastal Master Plan (CMP). Disturbingly, as released the draft of the 2017 CMP did not include all the coastal restoration projects that were included in CPRA's 2012 CMP and did not include all the coastal restoration projects that are included in the U.S. Army Corps of Engineer's Ecosystem Restoration Plan which was an integral part of the de-authorization for the closure of the MRGO ship channel. More disturbingly, at the time of its release, the draft 2017 CMP stated that a large percentage of Louisiana's Coastal Zone including the Biloxi Marsh Complex (BMC) was unsustainable with or without action due to a combination of subsidence and sea level rise caused by global warming. Furthermore, the draft 2017 CMP erroneously indicated that the BMC would be essentially nonexistent in 50 years. Upon receiving the foregoing information, Management took immediate steps to build a scientific consensus that CPRA's draft 2017 CMP was incorrect concerning the BMC. In fact, data collected by CPRA indicates the BMC is accreting in elevation, not subsiding as stated in the draft 2017 CMP. Management hired professors Dr. G. Paul Kemp and Dr. John W. Day with Louisiana State University along with Chris McLindon with the New Orleans Geological Society to prepare reports examining the

sustainability of the BMC. On March 24, 2017 the Company submitted official comments concerning CPRA's draft 2017 CMP (a copy is available on our website www.biloximarshlandscorp.com). The Company's comments combined with meetings with CPRA's representatives resulted in the inclusion of the following language on page 162 of the CMP 2017 final draft. *"We realize that new information may become available that alters the effectiveness of some of those projects and that there are potentially other innovative project concepts that have not yet been considered. Identifying these projects and concepts is an important next step in the master planning process. To that end, those concepts and certain elements of this plan need to be further refined to assist areas of the coast with recognized critical needs... Another involves the Biloxi Marsh Complex for which recently evaluated specific information suggests local factors (e.g., subsidence, accretion) may result in the area performing better and lasting longer than current estimates suggest. As such, CPRA will continue the Project Development and Implementation Program coordinated with our adaptive management program through which projects like this can be further developed using refined and improved information."* The Company has begun revising and updating *The Biloxi Marsh Stabilization and Restoration Plan* which was published in 2006. The Company plans to engage CPRA in discussions to make certain that all parties clearly understand the value of our property and that the BMC is sustainable beyond the time frame which was originally set forth in the draft CMP 2017. Importantly, the Company has worked very closely with the President of St. Bernard Parish, Guy McInnis, and his staff to advance restoration efforts for the BMC. We would like to take this opportunity to thank President McInnis and his staff for their ongoing efforts.

Based on information available from the Louisiana Department of Natural Resources, the Highlander discovery well produced approximately 47 Mmcfg per day during March 2017. B&L has been assigned and is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the Highlander discovery well and in all mineral leases maintained by Freeport-McMoRan Oil & Gas in its Highlander project area located in Iberia, St. Martin, Assumption and Iberville Parishes, Louisiana.

On April 3, 2017, B&L completed hydraulic fracturing operations on its Welder No. 4 well. The Welder No. 4 well is a development well drilled to offset B&L's Welder No. 3 discovery well. The Welder No. 4 was placed on production on April 6, 2017. B&L is the Operator and has a 62.5% working interest in this well.

B&L was organized as a limited liability Company (LLC) under the laws of Louisiana in July of 2006. B&L's members are BLMC and Lake Eugenie Land & Development, Inc. (LKEU), which have membership percentages of 75% and 25%, respectively.

During its meeting held on December 16, 2016, the board of directors declared a dividend of \$.10 per outstanding share of common stock payable on Wednesday, January 4, 2017 to shareholders of record at the close of business on Friday, December 30, 2016. This represented a total cash dividend payment of \$253,503 or \$.10 per share. Since 2002, the Company has paid approximately \$55,477,000 in total dividends. With the Company's fee land based production depleting and no new wells being drilled on its fee lands, it will be difficult to maintain the level of dividends paid since 2002.

On December 14, 2015, the board of directors authorized the purchase of up to 30,000 shares of the Company's common stock. The purchases will be made from time to time on the open market at the sole discretion of the Company. All shares purchased will be held as treasury stock. As of the date of this press release, the Company has acquired 6,470 shares.

William B. Rudolf, President and CEO, commented: "Considering the decline in production from our fee lands and the difficult environment in attracting Lessees to conduct exploration in the Louisiana marsh, we are very pleased with the results from B&L's Lago Verde Project in South Texas."

The Company maintains a website, www.biloximarshlandscorp.com, and strongly recommends that all investors and interested parties visit the website to view historical press releases, historical financial statements, and other relevant information.

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 fee lands and revenues from surface rentals. BLMC also owns a seventy-five percent interest in B&L Exploration, LLC which explores for and develops oil and gas primarily in Louisiana and Texas.

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", "could", "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 "Statements of Revenues and Expenses" have been derived from interim un-audited financial statements which do 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

BILOXI MARSH LANDS CORPORATION

Statements of Assets, Liabilities, and Stockholders' Equity

March 31, 2017 and 2016

Assets	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,988,794	2,236,251
Accounts receivable	8,300	20,773
Prepaid expenses	23,587	23,665
Accrued interest receivable	17,142	19,346
Deferred tax asset	21,055	205,918
Federal income taxes receivable	7,195	7,195
State income taxes receivable	4,948	41,434
Other assets	<u>3,830</u>	<u>3,830</u>
Total current assets	<u>2,074,851</u>	<u>2,558,412</u>
Other assets:		
Investment in partnership	1,697,030	2,667,720
Marketable debt and equity securities - at cost	6,780,053	6,586,386
Land	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	6,168	31,937
Levees and office furniture and equipment	314,943	315,943
Accumulated depreciation	<u>(314,571)</u>	<u>(314,164)</u>
Total other assets	<u>8,718,562</u>	<u>9,522,761</u>
Total assets	\$ <u><u>10,793,413</u></u>	\$ <u><u>12,081,173</u></u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accrued expenses	\$ <u>9,907</u>	<u>22,550</u>
Total current liabilities	9,907	22,550
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,530,028 and 2,535,028 shares in 2017 and 2016, respectively	47,520	47,520
Retained earnings	13,623,686	14,853,728
Treasury stock - 321,168 and 316,168 shares in 2017 and 2016, respectively, at cost	<u>(2,887,700)</u>	<u>(2,842,625)</u>
Total liabilities and stockholders' equity	\$ <u><u>10,793,413</u></u>	\$ <u><u>12,081,173</u></u>

BILOXI MARSH LANDS CORPORATION

Statements of Revenues and Expenses

March 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Revenues:		
Oil and gas royalties	\$ 13,016	\$ 34,094
Surface rentals	\$ 45,000	\$ -
Total oil and gas revenues	<u>58,016</u>	<u>34,094</u>
Other income (loss):		
Loss from investment in partnership	(110,076)	(284,309)
Dividends and interest income	23,464	32,602
Gain on sale of securities	-	71
Total other income	<u>(86,612)</u>	<u>(251,636)</u>
Total revenues and income	<u>(28,596)</u>	<u>(217,542)</u>
Expenses:		
Total expenses	<u>158,365</u>	<u>188,973</u>
Net loss before income taxes	(186,961)	(406,515)
Income tax benefit	-	(152,768)
Net loss	<u>\$ (186,961)</u>	<u>(253,747)</u>
Net loss per share	\$ (0.07)	\$ (0.10)