

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 Second Quarter and First Six Months of 2009 and provides update

Metairie, LA., August 5, 2009 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the second quarter and first six months of 2009 and provides update. Total revenue for the second quarter of 2009 was \$263,537 compared to total revenue of \$1,261,005 for the same period of 2008. For the first six months of 2009 revenue was \$1,258,659 compared to \$3,063,399 for the same period of 2008. For the second quarter total revenue includes a net loss \$42,057 emanating from partnership income which represents the Company's interest in B&L Exploration, LLC (B&L) compared to revenue of \$85,522 in the same category during the second quarter of 2008. The loss from B&L was mainly due to new and accelerated drilling programs entered into during the quarter. Meanwhile, for the first six months of 2009 partnership income was \$367,514 compared to revenue of \$756,214 in the same category for the first six months of 2008. During the second quarter of 2009, oil and gas revenues were \$238,373 compared to \$734,458 for the same period of 2008. For the second quarter of 2009, we incurred a loss on the sale of investment securities of \$13,595 compared to a gain of \$373,168 during the second quarter of 2008. Meanwhile, operating expenses for the second quarter of 2009 were \$464,458 compared to operating expenses of \$342,050 for the same period of 2008. The increase in expenses was mainly due to increase in legal fees and expenses related to settlement of the title dispute over Sections 1, 2 and 3, Township 13 South, Range 16 East (please see www.biloximarshlandscorp.com for more info). Legal fees and expenses for the second quarter of 2009 were \$236,393 and for the first six months were \$344,652. These fees and expenses were a major component leading to our quarterly net loss of \$76,485 or \$.03 per share for the second quarter of 2009 compared to a net profit of \$643,548 or \$.23 per share for the same period of 2008. Meanwhile, our net earnings for the first half of 2009 were \$417,795 or \$.15 per share compared to \$1,675,050 or \$.61 per share for the same period of 2008.

The Company previously announced on July 14, 2009 that settlement agreements have been reached effective July 1, 2009 binding all of the parties to the litigation pending since 2001 in the Louisiana State Court in St. Bernard Parish to determine the ownership of Sections 1, 2 and 3, Township 13 South, Range 16 East. These settlement agreements have 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.

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 concursus 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 .

Management has taken steps to jump start drilling activity through the formation of B & L Exploration, LLC (B&L) of which the Company owns 75%. We plan to use B&L as a means of implementing a strategy that we believe will increase the Company's oil and gas reserves while, at the same time, hopefully mitigating the Company's current income tax liabilities. As of June 30, 2009 B&L's three wells, SL 18955 #1, SL 19064 #1 and Lake Eugenie Land & Development #1, were producing at a combined daily rate of approximately 6.5 mmcf. Also, as of June 30, 2009 the combined gross daily production rate from 6 wells operated by the Company's mineral Lessees was approximately 8.2 million cubic feet (mmcf) with net daily production accruing to the Company of approximately 802 mcf. Combining this daily natural gas production with the Company's proportional share of the daily production from the B&L wells makes the total net daily production accruing to the Company as of June 30, 2009 approximately 2.1 mmcf of natural gas.

Due to delays in obtaining a Coastal Use Permit from the State of Louisiana, B&L and its partners did not drill SL 19061 #1 sequentially after drilling the Lake Eugenie Land & Development #1 well. We have finally obtained our Coastal Use Permit. Due to the recent precipitous drop in the cost of conducting drilling operations, B&L and its partners have decided to drill this well during August of 2009. B&L will be the named Operator of this well.

William B. Rudolf, President and CEO, commented: "We are pleased with the settlement of the litigation and the fact that, it has not only created a significant non-recurring revenue event, which enabled us to pay a substantial special dividend on July 29, 2009, but it will reduce our ongoing expenses. This will allow us to focus our time and financial resources on finding opportunities for the Company and its shareholders. Through B&L Exploration, we plan to look outside of the Company's physical boundaries for oil and gas investment opportunities that represent potential value. We believe that the oil and gas industry is undergoing a major change in its business environment related to the country's poor economy and accompanying decline in commodity prices. With our strong balance sheet, we believe that we are well positioned to take advantage of opportunities that were not available to us in the past in a more robust business environment."

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. 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 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. 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 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

BILOXI MARSH LANDS CORPORATION

Statements of Assets, Liabilities, and Stockholders' Equity

June 30, 2009 and Comparable Period

Assets	2009	2008
Current assets:		
Cash and cash equivalents	\$ 3,388,576	\$ 8,034,281
Accounts receivable	117,323	497,283
Prepaid expenses	46,299	46,508
Accrued interest receivable	68,946	30,283
Federal income taxes receivable	255,754	172,850
State income taxes receivable	69,240	47,725
Other current assets	8,761	4,077
Total current assets	3,954,899	8,833,007
Investment in Partnership	1,306,135	2,307,850
Marketable debt and equity securities - at cost	7,458,776	4,918,537
Land - at cost	234,939	234,939
Levees and office furniture and equipment	188,352	187,972
Accumulated Depreciation	(188,352)	(187,972)
	8,999,850	7,461,326
	Total assets	\$ 16,294,333
	\$ 12,954,749	\$ 16,294,333
Liabilities and Stockholders' Equity		
Current liabilities:		
Deferred tax liability	\$ —	306,357
Accrued Expenses	122,709	113,179
Other current liabilities	2,520	2,160
Total current liabilities	125,229	421,696
Stockholders' equity:		
Common stock, par value \$.001 - 20,000,000 shares authorized, 2,851,196 shares issued, 2,741,428 shares outstanding in 2009 and 2,754,428 in 2008	47,520	47,520
Retained earnings	12,965,065	15,899,932
	13,012,585	15,947,452
Less cost of treasury stock - 109,768 and 96,768 shares in 2009 and 2008, respectively	(183,065)	(74,815)
Total stockholders' equity	12,829,520	15,872,637
Total liabilities and stockholders' equity	\$ 12,954,749	\$ 16,294,333
	\$ 12,954,749	\$ 16,294,333

BILOXI MARSH LANDS CORPORATION
 Statements of Revenues and Expenses and Retained Earnings
 June 30, 2009 and Comparable Period

	3 Months Ended June 30		6 Months Ended June 30	
	2009	2008	2009	2008
Revenues:				
Oil and Gas				
Pipeline Right of Ways	\$ -	\$ 25,031	\$ -	\$ 25,031
Royalties (net of production taxes)	238,373	709,427	622,658	1,603,658
Total Oil and Gas	<u>238,373</u>	<u>734,458</u>	<u>622,658</u>	<u>1,628,689</u>
Other:				
Partnership Income (Loss)	(42,057)	85,522	367,514	756,214
Dividends and interest	80,816	67,857	146,026	164,755
Gain (Loss) on sale of securities	(13,595)	373,168	122,461	513,741
Total Other revenues	<u>25,164</u>	<u>526,547</u>	<u>636,001</u>	<u>1,434,710</u>
Total Revenue	<u>263,537</u>	<u>1,261,005</u>	<u>1,258,659</u>	<u>3,063,399</u>
Expenses				
Total Expenses	<u>464,458</u>	<u>342,050</u>	<u>774,040</u>	<u>665,457</u>
Net Income before provision for income taxes	<u>(200,921)</u>	<u>918,955</u>	<u>484,619</u>	<u>2,397,942</u>
Income taxes				
Provision for income taxes	<u>(124,436)</u>	<u>275,407</u>	<u>66,824</u>	<u>722,892</u>
Net Income	\$ (76,485)	\$ 643,548	\$ 417,795	\$ 1,675,050
Net Income Per Share	<u>\$ (0.03)</u>	<u>\$ 0.23</u>	<u>\$ 0.15</u>	<u>\$ 0.61</u>