

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 2016 and provides update

Metairie, LA., August 5, 2016 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the second quarter of 2016 and first six months of 2016 and provides update. The Company's revenue for the three months ended June 30, 2016 from oil and gas production for its fee lands was \$14,865 compared to revenue of \$66,016 for the second quarter of 2015. For the first six months of 2016, revenue generated from the Company's fee lands decreased to \$48,959 from \$152,455 for the same period in 2015.

Meanwhile, dividend and interest income for the first six months of 2016 was \$65,376, compared to \$68,570 for the first six months of 2015. During the second quarter of 2016, based on its investment counselor's advice, the Company realized a cumulative loss from the sale of investment securities of \$102,641 compared to a cumulative gain in the amount of \$483,694 for the same period in 2015. For the first six months of 2016, the cumulative loss from the sale of investment securities was \$102,570 compared to a cumulative gain of \$733,572 for the first six months of 2015. For the second quarter of 2016, total revenues included a \$563,880 loss from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$79,353 from B&L for the second quarter of 2015. Correspondingly, total revenue for the six months ended June 30, 2016 includes a net loss of \$848,189 generated by B&L compared to a net loss of \$305,201 from B&L for the first six months of 2015. Expenses for the second quarter were \$212,999 compared to \$247,652 for the same period of 2015. Total expenses for the first six months of 2016 and 2015 were \$401,972 and \$466,154, respectively. The Company incurred a net loss of \$824,771 or \$.33 per share for the second quarter of 2016 compared to net income of \$162,317 or \$.06 per share in 2015. Meanwhile, for the first half of 2016, there was a net loss of \$1,078,518 or \$.43 per share compared to net income of \$116,890 or \$.05 per share for the same period of 2015.

As of June 30, 2016, the combined gross daily production rate from 7 wells operated by the Company's mineral lessees was approximately 0.369 million cubic feet of natural gas (Mmcf) and 136 barrels of oil per day (BOPD) with net daily production accruing to the Company of approximately .019 Mmcf and 2 BOPD. Meanwhile, as of June 30, 2016, B&L's gross daily production was approximately 52,735 Mmcf and 282 barrels of oil from 7 wells with approximately 1.50 Mmcf and 31 barrels of oil per day accruing to B&L.

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 (MR-GO). It is anticipated that this litigation against the federal government will be a long process.

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.

William B. Rudolf, President and CEO, commented: "Low commodity prices continue to create a difficult operating environment for the Company. Management is focused on operating efficiencies. Being well positioned will allow the Company to identify and take advantage of opportunities that may arise in the current market."

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

June 30, 2016 and 2015

Assets	<u>2016</u>	<u>2015</u>
Current assets:		
Cash and cash equivalents	\$ 1,485,343	2,815,149
Accounts receivable	31,946	31,796
Prepaid expenses	60,030	60,453
Accrued interest receivable	17,565	17,565
Deferred tax asset	205,918	60,380
Income taxes receivable	12,143	—
Other assets	3,830	3,830
Total current assets	<u>1,816,775</u>	<u>2,989,173</u>
Other assets:		
Investment in partnership	2,103,841	2,454,676
Marketable debt and equity securities - at cost	7,067,002	7,000,293
Land	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	24,032	59,123
Levees and office furniture and equipment	315,943	314,943
Accumulated depreciation	<u>(314,317)</u>	<u>(313,725)</u>
Total other assets	<u>9,431,440</u>	<u>9,750,249</u>
 Total assets	 <u>\$ 11,248,215</u>	 <u>12,739,422</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	\$ —	48,930
Accrued expenses	14,363	10,771
Total current liabilities	<u>14,363</u>	<u>59,701</u>
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,535,028 shares in 2016 and 2015, respectively	47,520	47,520
Retained earnings	14,028,957	15,474,826
Treasury stock - 316,168 shares in 2016 and 2015, respectively, at cost	<u>(2,842,625)</u>	<u>(2,842,625)</u>
Total liabilities and stockholders' equity	<u>\$ 11,248,215</u>	<u>12,739,422</u>

BILOXI MARSH LANDS CORPORATION

Statements of Revenues and Expenses

June 30, 2016 and 2015

	3 Months Ended June 30		6 Months Ended June 30	
	2016	2015	2016	2015
Revenues:				
Oil and gas royalties	\$ 14,865	66,016	\$ 48,959	152,455
Total oil and gas revenues	<u>14,865</u>	<u>66,016</u>	<u>48,959</u>	<u>152,455</u>
Other income (loss):				
Loss from investment in partnership	(563,880)	(79,353)	(848,189)	(305,201)
Dividends and interest income	32,774	33,315	65,376	68,570
Gain (loss) on sale of securities	(102,641)	483,694	(102,570)	733,572
Surface rentals	<u>7,110</u>	<u>4,029</u>	<u>7,110</u>	<u>4,029</u>
Total other income	<u>(626,637)</u>	<u>441,685</u>	<u>(878,273)</u>	<u>500,970</u>
Total revenues and other income	<u>(611,772)</u>	<u>507,701</u>	<u>(829,314)</u>	<u>653,425</u>
Expenses:				
Total expenses	<u>212,999</u>	<u>247,652</u>	<u>401,972</u>	<u>466,154</u>
Net income before income taxes	(824,771)	260,049	(1,231,286)	187,271
Income tax expense (benefit)	<u>-</u>	<u>97,732</u>	<u>(152,768)</u>	<u>70,381</u>
Net income	<u>\$ (824,771)</u>	<u>162,317</u>	<u>\$ (1,078,518)</u>	<u>116,890</u>
Net income per share	\$ (0.33)	0.06	\$ (0.43)	0.05