

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 2017 and provides update

Metairie, LA., August 4, 2017 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the second quarter of 2017 and first six months of 2017 and provides update. The Company's revenue for the three months ended June 30, 2017 from oil and gas production for its fee lands was \$12,446 compared to revenue of \$14,865 for the second quarter of 2016. For the first six months of 2017, revenue generated from the Company's fee lands was \$70,462 compared to \$48,959 for the same period in 2016.

Meanwhile, dividend and interest income for the first six months of 2017 was \$48,135, compared to \$65,376 for the first six months of 2016. For the first six months of 2017, the Company realized a cumulative gain from the sale of investment securities of \$642,742 compared to a cumulative loss of \$102,570 for the first six months of 2016. For the second quarter of 2017, total revenues included a \$162,487 loss from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$563,880 from B&L for the second quarter of 2016. Correspondingly, total revenue for the six months ended June 30, 2017 includes a net loss of \$272,563 generated by B&L compared to a net loss of \$848,189 from B&L for the first six months of 2016.

Expenses for the second quarter were \$208,014 compared to \$212,999 for the same period of 2016. Total expenses for the first six months of 2017 and 2016 were \$366,379 and \$401,972, respectively. The Company had net income of \$333,213 or \$0.13 per share for the second quarter of 2017 compared to a net loss of \$824,771 or \$.33 per share in 2016. Meanwhile, for the first half of 2017, there was net income of \$146,252 or \$.06 per share compared to a net loss of \$1,078,518 or \$.43 per share for the same period of 2016.

While 6 wells continue to produce, as of June 30, 2017 the combined net daily production accruing to the Company from its fee lands was minimal. Meanwhile, as of June 30, 2017 B&L's net daily production from 8 wells was approximately 2,742 thousand cubic feet of natural gas (Mcfg) and 77 barrels of oil per day (BOPD).

As previously reported, the Louisiana Coastal Protection and Restoration Authority (CPRA) released the final draft of its 2017 Coastal Master Plan (CMP). The Company plans to engage CPRA in discussions to make certain that all parties involved in the process clearly understand the value of our property and that the Biloxi Marsh Complex is sustainable beyond the time frame which was originally set forth in the draft CMP 2017. Furthermore, the Company has assembled a team of experts in order to revise and update *The Biloxi Marsh Stabilization and Restoration Plan* published in 2006.

As previously reported, the Company has filed a claim against the US Army Corps of Engineers (USACE) for property damages and other losses caused by the Mississippi River Gulf Outlet (MR-GO). A trial on the liability portion of the claims was set for October of 2017 but has been continued to March of 2018. We will continue to aggressively pursue this claim and will keep our shareholders advised as things progress.

Based on information provided by the well's Operator to the Louisiana Department of Natural Resources (LDNR) then published on LDNR's Strategic Online Natural Resources Information System (SONRIS – www.sonris.com), the Highlander discovery well continued to produce at a flow rate of approximately 47,000 Mcfg per day during June 2017. B&L is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the Highlander discovery well and in all mineral leases obtained and maintained by Freeport-McMoRan Oil & Gas in its Highlander Project Area located in Assumption, Iberia, Iberville, St. Martin and St. Mary Parishes, Louisiana. Beginning in 2012 ORRIs in various leases within the Highlander Project Area started to be assigned to B&L. While B&L has been assigned ORRIs in leases covering close to 50,000 acres, currently only 9,000 acres are held by production (HBP) within the EOC TUSC BL UDS production unit. B&L is not aware of the status of leases outside of the EOC TUSC BL UDS production unit.

In 2012 B&L obtained a mineral lease in a federal offshore block located in shallow water on the intercontinental shelf offshore of Louisiana. B&L currently holds a 60% working interest in this lease. With the continued lower commodity pricing combined with the cost of operating offshore, B&L and its 40% working interest partner are working together to determine if a plan of development is attractive. If a well is not spud prior to the lease expiration date, this lease will expire in October of 2017 and the associated PUD reserves will not be included in future reserve reports.

B&L continues to successfully develop its Lago Verde project. In early April, hydraulic fracturing operations were completed on its Welder No. 4 well. Immediately following hydraulic fracturing operations, during its flowback test the Welder No. 4 achieved maximum flow rates of 5,115 Mcfg per day, 205 BOPD and 547 barrels of water per day (BWPD) on a 20/64th inch choke. This well was placed on production on April 6, 2017. During its first full day of production, the Welder No. 4 flowed approximately 2,600 Mcfg per day, 50 BOPD and 35 BOPWD on a 15/64th inch choke. The Welder No. 4 well is the first development well drilled to offset B&L's Welder No. 3 field discovery well. Continuing its field development, B&L drilled its Welder No. 6 well during July 2017. Electric logs run on the Welder No. 6 indicate approximately 100' of apparent net pay in several laminated basal Frio sand intervals. The Welder No. 6 well is scheduled for hydraulic fracturing operations. B&L is the Operator and has a 62.5% working interest in the Welder No. 3, No. 4 and No. 6 wells. B&L's current mineral lease position is approximately 2,500 gross acres in South Texas.

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.

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 7,020 shares.

William B. Rudolf, President and CEO, commented: "We continue to be pleased with the results from B&L's Lago Verde Project in South Texas which has increased B&L's net production. Relatively low well costs combined with the possibility of multiple development wells offsetting the Welder No. 3 field discovery well makes B&L's Lago Verde project attractive. Meanwhile, continued lower natural gas pricing combined with the political and regulatory environment in South Louisiana is making it difficult for us to attract parties interested in exploring for natural gas on the Company's fee lands."

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, 2017 and 2016

Assets	2017	2016
Current assets:		
Cash and cash equivalents	\$ 2,003,241	1,485,343
Accounts receivable	7,000	31,946
Prepaid expenses	63,092	60,030
Accrued interest receivable	6,642	17,565
Deferred tax asset	21,055	205,918
Income taxes receivable	8,786	12,143
Other assets	3,830	3,830
Total current assets	2,113,646	1,816,775
Other assets:		
Investment in partnership	1,534,544	2,103,841
Marketable debt and equity securities - at cost	7,231,476	7,067,002
Land	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	4,112	24,032
Levees and office furniture and equipment	314,943	315,943
Accumulated depreciation	(314,659)	(314,317)
Total other assets	9,005,355	9,431,440
Total assets	\$ 11,119,001	11,248,215
Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	\$ —	—
Accrued expenses	20,030	14,363
Total current liabilities	20,030	14,363
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,528,008 and 2,535,028 shares in 2017 and 2016, respectively	47,520	47,520
Retained earnings	13,956,899	14,028,957
Treasury stock - 323,188 and 316,168 shares in 2017 and 2016, respectively, at cost	(2,905,448)	(2,842,625)
Total liabilities and stockholders' equity	\$ 11,119,001	11,248,215

BILOXI MARSH LANDS CORPORATION

Statements of Revenues and Expenses

June 30, 2017 and 2016

	3 Months Ended		6 Months Ended	
	June 30		June 30	
	2017	2016	2017	2016
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Revenues:				
Oil and gas royalties	\$ 12,446	14,865	\$ 25,462	\$ 48,959
Surface rentals	-	-	45,000	-
Total oil and gas revenues	<u>12,446</u>	<u>14,865</u>	<u>70,462</u>	<u>48,959</u>
Other income (loss):				
Loss from investment in partnership	(162,487)	(563,880)	(272,563)	(848,189)
Dividends and interest income	24,671	32,774	48,135	65,376
Gain (loss) on sale of securities	642,742	(102,641)	642,742	(102,570)
Surface rentals	23,855	7,110	23,855	7,110
Total other income	<u>528,781</u>	<u>(626,637)</u>	<u>442,169</u>	<u>(878,273)</u>
Total revenues and other income	<u>541,227</u>	<u>(611,772)</u>	<u>512,631</u>	<u>(829,314)</u>
Expenses:				
Total expenses	<u>208,014</u>	<u>212,999</u>	<u>366,379</u>	<u>401,972</u>
Net income (loss) before income taxes	333,213	(824,771)	146,252	(1,231,286)
Income tax expense (benefit)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(152,768)</u>
Net income (loss)	<u>\$ 333,213</u>	<u>(824,771)</u>	<u>\$ 146,252</u>	<u>(1,078,518)</u>
Net income (loss) per share	\$ 0.13	(0.33)	\$ 0.06	(0.43)