

# **Biloxi Marsh Lands Corporation**

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## **Biloxi Marsh Lands Corporation Announces Unaudited Results for the Second Quarter and first Six Months of 2018 and provides update**

Metairie, LA., August 10, 2018 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the second quarter of 2018 and first six months of 2018 and provides update. The Company's revenue for the three months ended June 30, 2018 from oil and gas production for its fee lands was \$6,880 compared to revenue of \$12,446 for the second quarter of 2017. For the first six months of 2018, revenue generated from the Company's fee lands was \$12,693 compared to \$70,462 for the same period in 2017.

Meanwhile, dividend and interest income for the first six months of 2018 was \$58,780, compared to \$48,135 for the first six months of 2017. For the first six months of 2018, the Company realized a cumulative gain from the sale of investment securities of \$1,037,465 compared to a cumulative gain of \$642,742 for the first six months of 2017. For the second quarter of 2018, total revenues included a \$725,023 loss from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$162,487 from B&L for the second quarter of 2017. Correspondingly, total revenue for the six months ended June 30, 2018 includes a net loss of \$1,184,637 generated by B&L compared to a net loss of \$272,563 from B&L for the first six months of 2017.

Expenses for the second quarter were \$199,304 compared to \$208,014 for the same period of 2017. Total expenses for the first six months of 2018 and 2017 were \$372,881 and \$366,379, respectively. The Company had a net loss of \$75,334 or \$0.03 per share for the second quarter of 2018 compared to net income of \$333,213 or \$.13 per share in 2017. Meanwhile, for the first half of 2018, there was a net loss of \$442,930 or \$.18 per share compared to net income of \$146,252 or \$.06 per share for the same period of 2017.

In an effort to protect and sustain the Company's fee lands in St. Bernard Parish, Louisiana and in response to the Louisiana Coastal Protection and Restoration Authority (CPRA) 2017 Coastal Master Plan (CMP 2017) the Company's expert team, comprised of various scientists from local universities, continues to collect and assemble the critical data to revise and update *The Biloxi Marsh Stabilization and Restoration Plan* which was first published in 2006. The goal of this critical data collection is to determine the root causes of degradation of the Company's marsh lands and determine scientific hypotheses that demonstrate that the Biloxi Marsh Complex is sustainable for a longer period of time than set forth in CMP 2017.

Based on information provided by the well's operator to the Louisiana Department of Natural Resources (LDNR) and published on LDNR's Strategic Online Natural Resources Information System (SONRIS – [www.sonris.com](http://www.sonris.com)), during June 2018 the Highlander discovery well produced at a flow rate of approximately 55,273 Mcfg per day from the Tuscaloosa sand interval. The reported gross production for May and June of 2018 reflect an increase in

volumes. 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.

As of June 30, 2018, B&L's net daily production from five wells was approximately 1,420 thousand cubic feet of natural gas (Mcfg) and 7 barrels of oil per day (BOPD). B&L currently has four producing wells within its Lago Verde project area. B&L still has additional PUD locations to drill in the fault block discovered by the Welder No. 3 well. In the current pricing environment, B&L is executing its current plan to drill an exploratory well to test a neighboring fault block during 2018. 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.

As previously reported, on June 15, 2012, the Company filed a claim (Biloxi Marsh Lands Corp., et al. v. United States; Case No. 12-382L) in the U.S. Court of Federal Claims against the US Army Corps of Engineers ("The Biloxi Case") seeking monetary damages for property damage and losses caused by the Mississippi River Gulf Outlet (MR-GO). In January of 2018 The Biloxi Case was consolidated with other similar landowners' cases against the US Army Corps of Engineers and will proceed as Biloxi Marsh Lands Corp., et al. v. United States, No. 12-382L. A trial solely on the liability portion of the claims was continued, and a trial date was scheduled for October of 2018. During a status conference held in June of 2018, the presiding Judge determined that, prior to considering issues of liability, the legal issue of whether the plaintiffs' takings claims are time-barred should be addressed. Subsequently, the court issued an updated scheduling order holding in abeyance any possible trial on liability. At this time the Company cannot predict the timing of resolution or the outcome of this litigation process.

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. During the quarter ended June 30, 2018, the Company acquired an additional 3,100 shares. The Company has acquired 10,120 shares as of June 30, 2018.

William B. Rudolf, President and CEO, commented: "Management continues to proactively address apparent scientific flaws in the CPRA – 2017 Coastal Master Plan (CMP 2017). The main scientific flaw appears to be the prediction that most of St. Bernard Parish including the Biloxi Marsh Complex will be lost over the next 50 years." The Company's comments to CMP 2017 are available at <http://www.biloximarshlandscorp.com/biloxi-marsh-coastal-restoration/>.

"Meanwhile, attracting third parties interested in exploring for and developing the minerals beneath our lands continues to prove difficult due to a combination of factors which include the depth of prospects beneath our property, the current price of natural gas and the difficult environment for oil and gas operators in Louisiana's coastal zone. With this said, we are continually looking for a catalyst that will create an opportunity to test one of the subsurface structures identified using 3D seismic data within the Tuscaloosa sand interval which are located beneath the Company's fee lands in St. Bernard Parish, Louisiana. Additionally, B&L's

management continues to focus on its Lago Verde Project in South Texas and is cognizant that the Highlander discovery continues to produce at significant rates.”

The Company maintains a website, [www.biloximarshlandscorp.com](http://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.

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**BILOXI MARSH LANDS CORPORATION**

Statements of Assets, Liabilities, and Stockholders' Equity

June 30, 2018 and 2017

Assets	<u>2018</u>	<u>2017</u>
Current assets:		
Cash and cash equivalents	\$ 1,830,569	2,003,241
Accounts receivable	5,774	7,000
Prepaid expenses	62,748	63,092
Accrued interest receivable	6,642	6,642
Deferred tax asset	21,055	21,055
Income taxes receivable	8,378	8,786
Other assets	3,830	3,830
Total current assets	<u>1,938,996</u>	<u>2,113,646</u>
Other assets:		
Investment in partnership	1,005,872	1,534,544
Marketable debt and equity securities - at cost	6,423,989	7,231,476
Land	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	—	4,112
Levees and office furniture and equipment	319,943	314,943
Accumulated depreciation	(314,873)	(314,659)
Total other assets	<u>7,669,870</u>	<u>9,005,355</u>
 Total assets	 <u>\$ 9,608,866</u>	 <u>11,119,001</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accrued expenses	\$ 45,479	20,030
Total current liabilities	<u>45,479</u>	<u>20,030</u>
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,524,908 and 2,528,008 shares in 2018 and 2017, respectively	47,520	47,520
Retained earnings	12,448,548	13,956,899
Treasury stock - 326,288 and 323,188 shares in 2018 and 2017, respectively, at cost	(2,932,681)	(2,905,448)
Total liabilities and stockholders' equity	<u>\$ 9,608,866</u>	<u>11,119,001</u>

**BILOXI MARSH LANDS CORPORATION**

Statements of Revenues and Expenses

June 30, 2018 and 2017

	3 Months Ended		6 Months Ended	
	June 30		June 30	
	2018	2017	2018	2017
Revenues:				
Oil and gas royalties	\$ 6,880	12,446	\$ 12,693	\$ 25,462
Surface rentals	-	-	-	45,000
Total oil and gas revenues	<u>6,880</u>	<u>12,446</u>	<u>12,693</u>	<u>70,462</u>
Other income (loss):				
Loss from investment in partnership	(725,023)	(162,487)	(1,184,637)	(272,563)
Dividends and interest income	30,647	24,671	58,780	48,135
Gain (loss) on sale of securities	805,816	642,742	1,037,465	642,742
Surface rentals	5,650	23,855	5,650	23,855
Total other income	<u>117,090</u>	<u>528,781</u>	<u>(82,742)</u>	<u>442,169</u>
Total revenues and other income	<u>123,970</u>	<u>541,227</u>	<u>(70,049)</u>	<u>512,631</u>
Expenses:				
Total expenses	<u>199,304</u>	<u>208,014</u>	<u>372,881</u>	<u>366,379</u>
Net income before income taxes	(75,334)	333,213	(442,930)	146,252
Income tax expense (benefit)	-	-	-	-
Net income	<u>\$ (75,334)</u>	<u>333,213</u>	<u>\$ (442,930)</u>	<u>146,252</u>
Net income per share	\$ (0.03)	\$ 0.13	\$ (0.18)	\$ 0.06