

## Biloxi Marsh Lands Corporation announces un-audited results for the second quarter and first six months of 2005 and provides update

**Metairie, LA** - Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announced its un-audited results for the periods ending June 30, 2005. Total revenue for the second quarter of 2005 was \$6,607,174 compared to total revenue of \$6,191,152 for the same period of 2004 and compared to total revenue of \$7,393,877 for the first quarter of 2005. For the first six months of 2005 revenue was \$14,000,051 compared to \$9,821,481 for the same period of 2004. During the second quarter of 2005 revenues from mineral royalties increased to \$5,230,204 from \$3,911,078 for the same period of 2004, but decreased from \$6,679,470 for the first quarter of 2005. Revenues were impacted during the second quarter of 2005 by lease bonus, delay rental and lease extension payments in the amount of \$1,265,223 as compared to by lease bonus, delay rental and lease extension payments in the amount of \$1,817,478 for same period of 2004. Meanwhile operating expenses for the second quarter of 2005 were \$274,198 compared to operating expenses of \$242,896 for the same period of 2004. Net earnings were \$4,034,562 or \$1.46 per share for the second quarter of 2005 compared to \$3,969,256 or \$1.44 per share for the same period of 2004 and compared to \$4,487,411 or \$1.63 per share for the first quarter of 2005, and for the first half of 2005 net earnings were \$8,521,973 or \$3.09 per share compared to \$6,342,113 or \$2.30 per share for the same period of 2004.

As previously announced, the Board of Directors declared a cash dividend of \$1.00 per share of common stock payable on August 10, 2005 to shareholders of record as of the close of business on July 21, 2005. This dividend is the third to be paid during 2005 and brings the total amount of dividends paid during the year to \$3.25 per share.

During the first half of 2005, The Meridian Resource Corporation (NYSE:TMR) completed field survey operations on Phase IV of its 3D seismic survey covering approximately 48 square miles of Company property. The majority of this area, which is located in the south central portion of the Company's property, has not previously been included in any 3D seismic surveys. Under the terms of the agreement with TMR the Company has already taken delivery of approximately 314 square miles of 3D seismic data, and will take delivery of the seismic data collected during Phase IV in April of 2006.

As of June 30, 2005 the combined gross daily production from 15 wells including those operated by TMR and Manti Jambi, Inc. was approximately 60 mmcf with net daily production accruing to the Company of approximately 7.1 mmcf. At the end of the second quarter the TMR-BML 1-2 well was shut in and awaiting re-drilling due to a mechanical failure. During July Parker Drilling Company Rig #57B was moved on location to re-drill this well. In preparation for hurricane Dennis, Rig #57B was being moved off location when it overturned in Bayou Grande very near the surface location. As of the date of this release salvage operations are scheduled to get underway shortly, after which TMR advises that they intend to re-drill the 1-2 well. Currently, TMR has several permitted drill site locations on Company property, but is not currently conducting drilling operations.

“While we recognize that our second quarter revenue was less than that of the first quarter, we are still very pleased with our results for the first half which were significantly better than our results for the first half of 2004. One major disappointment is that TMR has not drilled as many wells as they did during 2004, nor as many wells as they initially advised were planned for 2005. None the less, we are hopeful that TMR will drill its permitted locations, identify additional prospects in the areas previously surveyed and, using the seismic data acquired during Phase IV, identify and drill additional prospects including, hopefully, a test of the deeper Tuscaloosa sand interval. However, with the primary term of the lease agreements between the Company and TMR expiring on December 15, 2005, we are taking steps to strategically position ourselves for the future.” commented William B. Rudolf, President and Chief Executive Officer.

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. The company also derives minimal revenues from surface rentals.

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 general information.

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”, “hopeful”, “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.

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**BILOXI MARSH LANDS CORPORATION**

Statements of Assets, Liabilities, and Stockholders' Equity - Income Tax Basis

June 30, 2005 and 2004

<b>Assets</b>	<b>2005</b>	<b>2004</b>
Current assets:		
Cash and cash equivalents	\$ 1,050,629	5,454,991
Refundable state income taxes	—	—
Refundable federal taxes	—	—
Total current assets	<u>1,050,629</u>	<u>5,454,991</u>
Investments:		
Marketable debt and equity securities	13,003,968	4,695,851
Land - at cost	<u>234,939</u>	<u>234,939</u>
	<u>13,238,907</u>	<u>4,930,790</u>
Property:		
Levees and office furniture and equipment (net of accumulated depreciation of \$168,553 (\$157,537 at 2004))	<u>2,898</u>	<u>2,997</u>
Total assets	\$ <u><u>14,292,434</u></u>	\$ <u><u>10,388,778</u></u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Federal income taxes payable	\$ 526,165	1,004,790
State income taxes payable	93,880	—
Payroll taxes payable	<u>1,833</u>	<u>1,275</u>
Total current liabilities	<u>621,878</u>	<u>1,006,065</u>
Stockholders' equity:		
Common stock, no par value - 20,000,000 shares authorized, 2,851,196 shares issued, 2,754,428 shares outstanding	47,520	47,520
Retained earnings	<u>13,697,851</u>	<u>9,410,008</u>
	13,745,371	9,457,528
Less cost of treasury stock - 96,768 shares	<u>(74,815)</u>	<u>(74,815)</u>
	<u>13,670,556</u>	<u>9,382,713</u>
Total liabilities and stockholders' equity	\$ <u><u>14,292,434</u></u>	\$ <u><u>10,388,778</u></u>

See accompanying notes to financial statements.

**BILOXI MARSH LANDS CORPORATION**  
**Statement of Revenue and Expenses and Retained Earnings**  
**June 30, 2005 and Comparable Period**

	3 Months Ended June 30		6 Months Ended June 30	
	2005	2004	2005	2004
<b>Revenues:</b>				
<b>Oil and Gas</b>				
Lease bonuses and delayed rentals	\$ 1,265,223	\$ 1,817,478	\$ 1,326,788	\$ 2,062,796
Pipeline right of ways	-	278,625	104,660	283,625
Royalties (net of production taxes)	5,230,204	3,911,078	11,909,674	7,065,966
Seismic permit fees	-	-	-	-
Total Oil and Gas	<u>6,495,427</u>	<u>6,007,181</u>	<u>13,341,122</u>	<u>9,412,387</u>
<b>Other:</b>				
Dividends and interest	114,112	30,315	143,531	46,609
Gain on sale of securities	(2,365)	153,656	516,398	362,485
Surface Rentals	-	-	-	-
Other	-	-	-	-
Total Other revenues	<u>111,747</u>	<u>183,971</u>	<u>659,929</u>	<u>409,094</u>
Total Revenue	<u>6,607,174</u>	<u>6,191,152</u>	<u>14,001,051</u>	<u>9,821,481</u>
<b>Expenses</b>				
Total Expenses	<u>274,198</u>	<u>242,896</u>	<u>532,398</u>	<u>365,368</u>
Net Income before provision for income taxes	<u>6,332,976</u>	<u>5,948,256</u>	<u>13,468,653</u>	<u>9,456,113</u>
<b>Income taxes</b>				
Provision for income taxes	<u>2,298,414</u>	<u>1,979,000</u>	<u>4,946,680</u>	<u>3,114,000</u>
Net Income	4,034,562	3,969,256	8,521,973	6,342,113
<b>Retained Earnings-beginning of period</b>	<u>11,735,849</u>	<u>7,162,269</u>	<u>11,380,080</u>	<u>4,789,413</u>
	15,770,411	11,131,525	19,902,053	11,131,526
<b>Dividends</b>	<u>2,072,560</u>	<u>1,721,517</u>	<u>6,204,202</u>	<u>1,721,517</u> *
<b>Retained earnings</b>	<u>13,697,851</u>	<u>9,410,008</u>	<u>13,697,851</u>	<u>9,410,009</u>
Per Share	<u>\$ 1.46</u>	<u>\$ 1.44</u> *	<u>\$ 3.09</u>	<u>\$ 2.30</u> **

\* - Does not reflect a \$1.00 per share dividend to be paid 8/10 which will result in a reduction in retained earnings

\*\* - Adjusted for a 4 for 1 stock split effective June 1, 2004