

## Biloxi Marsh Lands Corporation announces un-audited results for the second quarter and first six months of 2006 and provides update

**Metairie, LA** - Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) today announced its un-audited results for the periods ending June 30, 2006. Total revenue for the second quarter of 2006 was \$2,355,428 compared to total revenue of \$6,607,174 for the same period of 2005. For the first six months of 2006 revenue was \$10,707,248 compared to \$14,001,051 for the same period of 2005. It should be noted that the first 6 month of 2006 included 8 monthly natural gas production payments as compared to the normal 6 monthly payments (5 payments received during Q1-2006; 3 payments received during Q2-2006). By comparison the first six months of 2005 included 6 monthly production payments. This increased number of payments was due to a timing difference and was a one time event due to the Company taking its gas "in kind" as of December of 2005. During the second quarter of 2006 revenues from mineral royalties decreased to \$2,185,235 from \$5,230,204 for the same period of 2005. Revenue derived from Lease bonus and delayed rentals were \$11,354 for the second quarter of 2006 compared to \$1,265,223 for the second quarter of 2005. During the second quarter of 2005 bonus and delayed rentals revenue was positively impacted by a large delayed rental payment in the amount of \$900,869. Due to the expiration of the lease agreement between the Company and its major Lessee no delayed rental payments were due during the first half of 2006. We did not realize any revenue from the sale of securities during the first half of 2006. During the first half of 2005 we realized \$516,398 in revenue from the sale on securities. Meanwhile, operating expenses for the second quarter of 2006 were \$487,971 compared to operating expenses of \$274,198 for the same period of 2005. Net earnings were \$1,323,723 or \$ .48 per share for the second quarter of 2006 compared to \$4,034,562 or \$1.46 per share for the same period of 2005, and for the first half of 2006 net earnings were \$6,670,460 or \$2.42 per share compared to \$8,521,973 or \$3.09 per share for the same period of 2005.

During the first half of 2006 the Company received 3D seismic data related to final phase of the 3D seismic survey completed over the past five years. The 3D seismic data covers the majority of Company property including one mile in every direction beyond our boundaries. This means that we not only have a significant 3D seismic inventory covering our property, but also covering state water-bottoms and property owned by third parties. Included in our 3D data inventory are post-stacked processed data and the non-processed field tapes. As previously reported, we have retained services of a geophysicist and a geologist to review the data to determine if we can identify any additional prospective acreage. Due to the type of processing of Phases I and IV, we are re-processing these two phases to complete an accurate evaluation. Ongoing costs of retaining the geologist and geophysicists and the majority of the seismic re-processing cost were realized during the first half of 2006.

The Company has developed *The Biloxi Marsh Stabilization and Restoration Plan* (The Plan). The Plan was conceptualized as a broad brush plan several years ago to possibly influence funding in conjunction with the Louisiana Coastal Area Study (LCA). Due to Hurricane Katrina increasing the potential for funding, The Plan has been expanded and made more specific to attempt to influence any Federal spending for rebuilding and maintaining the coast line southeast of the Greater New Orleans

Metropolitan Area as a means of natural defense from hurricane storm surges. In addition to increasing the specificity of The Plan, we expanded the team of experts involved in the development of The Plan. We have been proactively promoting The Plan with local, State and Federal officials. In fact, the St. Bernard Parish Council adopted The Plan as part of its plan. After several meetings with the Louisiana Department of Natural Resources (LADNR), including one with the Secretary, it appears that LADNR is going to adopt key components of The Plan as part of its plan for restoring the southeastern Louisiana coast. All of these developments illustrate management's commitment to the area in which the Company's property is located and should lead to positive impacts to our property and preserve our mineral rights. The majority of the costs associated with the development of The Plan were realized during the first half of 2006. We encourage all interested in The Plan to visit our website [www.biloximarshlandscorp.com](http://www.biloximarshlandscorp.com) where a copy is available.

As of June 30, 2006 the combined gross daily production from 13 wells including those operated by The Meridian Resource & Exploration, LLC and Manti Jambi, Inc. was approximately 33 mmcf with net daily production accruing to the Company of approximately 3.5 mmcf. As of the date of this release there are no wells being drilled on our property.

"We view our 80,000 acres not under mineral lease combined with our 3D seismic inventory as a major asset. While there is no guarantee that we will be successful, we are actively attempting to identify prospective acreage within the boundaries of the 3D data in our possession. We are hopeful that this will, over time, jump start drilling activity and lead to an increase in proved reserves and earnings. Meanwhile, we are proactively attempting to protect our property and assist in the protection and reconstruction of St. Bernard Parish, Louisiana which was devastated by Hurricane Katrina. This is evident by the development of *The Biloxi Marsh Stabilization and Restoration Plan* as well as the establishment and funding of the Biloxi Marsh Disaster Relief Fund Corporation. We encourage all parties interested in assisting in the rebuilding of St. Bernard Parish to donate to the Biloxi Marsh Disaster Relief Fund Corporation. The Biloxi Marsh Disaster Relief Fund Corporation is working on a website that will give information on how to donate. The Fund's website will be [www.selarelief.com](http://www.selarelief.com)," 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

June 30, 2006 and 2005

<b>Assets</b>	<b>2006</b>	<b>2005</b>
Current assets:		
Cash and cash equivalents	\$ 3,411,661	1,050,629
Total current assets	<u>3,411,661</u>	<u>1,050,629</u>
Investments:		
Marketable debt and equity securities - at cost	19,627,771	13,003,968
Land - at cost	234,939	234,939
	<u>19,862,710</u>	<u>13,238,907</u>
Property:		
Levees and office furniture and equipment (net of accumulated depreciation of \$205,204 (\$168,553 at 2005))	—	2,898
Total assets	<u>\$ 23,274,371</u>	<u>14,292,434</u>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Federal income taxes payable	\$ 5,082,819	526,165
State income taxes payable	745,353	93,880
Payroll taxes payable	1,695	1,833
Total current liabilities	<u>5,829,867</u>	<u>621,878</u>
Stockholders' equity:		
Common stock, par value \$.001 - 20,000,000 shares authorized, 2,851,196 shares issued, 2,754,428 shares outstanding	47,520	47,520
Retained earnings	17,471,799	13,697,851
	<u>17,519,319</u>	<u>13,745,371</u>
Less cost of treasury stock - 96,768 shares	<u>(74,815)</u>	<u>(74,815)</u>
	<u>17,444,504</u>	<u>13,670,556</u>
Total liabilities and stockholders' equity	<u>\$ 23,274,371</u>	<u>14,292,434</u>

**BILOXI MARSH LANDS CORPORATION**  
**Statements of Revenues and Expenses and Retained Earnings**  
**June 30, 2006 and Comparable Period**

	<b>3 Months Ended</b>		<b>6 Months Ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2006</b>	<b>2005</b>	<b>2006</b>	<b>2005</b>
<b>Revenues:</b>				
<b>Oil and Gas</b>				
Lease bonuses and delayed rentals	\$ 11,354	\$ 1,265,223	\$ 11,354	\$ 1,326,788
Pipeline right of ways	-	-	-	104,660
Royalties (net of production taxes)	<u>2,185,235</u>	<u>5,230,204</u>	<u>10,278,671</u>	<u>11,909,674</u>
Total Oil and Gas	<u>2,196,589</u>	<u>6,495,427</u>	<u>10,290,025</u>	<u>13,341,122</u>
<b>Other:</b>				
Dividends and interest	158,839	114,112	417,223	143,531
Gain on sale of securities	<u>-</u>	<u>(2,365)</u>	<u>-</u>	<u>516,398</u>
Total Other revenues	<u>158,839</u>	<u>111,747</u>	<u>417,223</u>	<u>659,929</u>
Total Revenue	<u>2,355,428</u>	<u>6,607,174</u>	<u>10,707,248</u>	<u>14,001,051</u>
<b>Expenses</b>				
Total Expenses	<u>487,971</u>	<u>274,198</u>	<u>979,216</u>	<u>532,398</u>
Net Income before provision for income taxes	<u>1,867,457</u>	<u>6,332,976</u>	<u>9,728,032</u>	<u>13,468,653</u>
<b>Income taxes</b>				
Provision for income taxes	<u>543,734</u>	<u>2,298,414</u>	<u>3,057,572</u>	<u>4,946,680</u>
Net Income	1,323,723	4,034,562	6,670,460	8,521,973
<b>Retained Earnings-beginning of period</b>	<u>16,148,076</u>	<u>11,735,849</u>	<u>16,310,195</u>	<u>11,380,080</u>
	17,471,799	15,770,411	22,980,655	19,902,053
<b>Dividends</b>	-	2,072,560	5,508,856	6,204,202
<b>Retained earnings-end of period</b>	<u>\$ 17,471,799</u>	<u>\$ 13,697,851</u>	<u>\$ 17,471,799</u>	<u>\$ 13,697,851</u>
Per Share	<u>\$ 0.48</u>	<u>\$ 1.46</u>	<u>\$ 2.42</u>	<u>\$ 3.09</u>