

Biloxi Marsh Lands Corporation

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Biloxi Marsh Land Corporation Announces Results for the Fourth Quarter of 2005, 12 Months ending December 31, 2005 and Provides Update

Metairie, LA., March 10, 2006 (BUSINESS WIRE) – Biloxi Marsh Land Corporation (PINK SHEETS:BLMC) announces audited results for the fourth quarter of 2005, year ending December 31, 2005 and provides update. Total revenue for the three months ending December 31, 2005 was \$3,178,394 compared to \$7,385,207 for the fourth quarter of 2004. Revenues for the fourth quarter of 2005 were negatively impacted by Hurricanes Katrina and Rita, with the Company receiving no royalty revenue for the month of December 2005. Meanwhile for the year total revenue was \$22,512,638 compared to total revenue of \$22,226,700 in 2004. The annual revenue breakdown is as follows: 2005 revenue from oil and gas activity was \$21,258,425 compared to revenue of \$21,267,614 in 2004. Dividend and interest income for 2005 was \$289,711 compared to \$114,065 for 2004. In 2005 gains from the sale of investment securities were \$954,085 as compared to a net gain of \$802,846 in 2004. For the fourth quarter of 2005 net earnings were \$2,240,705 or \$.82 per share compared to \$4,435,356 or \$1.61 per share for the same period of 2004. Meanwhile, net earnings for the year increased to \$13,882,006 or \$5.04 per share from \$13,821,040 or \$5.02 per share in 2004.

In 2005 The Meridian Resource and Exploration, LLC (Meridian) completed the final phase of its 3D seismic program. This 3D seismic survey was completed in four phases and covers approximately 137 square miles of the Company's +/- 141 square miles of titled acreage. As provided for in the Oil, Gas and Mineral Lease between the Company and Meridian, we have taken delivery of Phase I, II and III of the 3D seismic data which includes company acreage plus adjacent land and water-bottoms extending one mile in every direction beyond the bounds of our acreage. Currently our 3D seismic inventory contains approximately 314 square miles covering Company property and adjacent areas. As per letter agreement with Meridian, we are scheduled to take delivery of Phase IV of the seismic data in April of 2006. After we take delivery of this final phase the Company's 3D seismic inventory should include approximately 375 to 400 square miles covering Company property and adjacent areas. It should be noted Meridian did not complete Phase V of its seismic survey as they advised us was originally planned. This did not affect any of our property. Management believes that the 3D data sets which Meridian has already delivered to the Company and the seismic data acquired as the result of the completion the final Phase will prove to be valuable corporate assets. Though we were delayed by Hurricane Katrina we are continuing to proactively use the data to our strategic advantage. Toward this end the Company has retained a geophysicist and a geologist who are currently in the process of evaluating the seismic data in order to determine if there are any additional prospects within the area covered by the 3D seismic data. In addition to these efforts the Company recently marketed its acreage and potential prospects during the Gulf Coast Prospects Exposition in Lafayette, Louisiana and National Association of Petroleum Engineers Expositions (NAPE) in Houston, Texas. We are pleased with the response to our marketing effort and are hopeful that it will result in future oil, gas and mineral agreements.

Over the past several years, Meridian has added significantly to the pipeline infrastructure running through Company acreage. As provided for in the pipeline right of way agreements the Company has the right to use excess capacity in the pipelines for a fee and has the option, not the obligation, to take over the pipelines if Meridian chooses to abandon it. Management is very pleased with the development of the pipeline infrastructure throughout our property and believes that the right to use

excess capacity and take over the pipeline after abandonment may prove to be valuable for the future development of our mineral interests.

The primary term of the lease between the Company and Meridian expired on December 15, 2005. As of the date of this letter the Company has approximately 82,000 acres open and available for exploration and development, approximately 3,900 acres are held by production (HBP), and approximately 4,300 acres are under the secondary term of the lease between the Company and Meridian.

During January of 2005 Meridian successfully placed its BML 28-1 and S/L 18041-1 on production. Correspondingly during 2005 Meridian successfully logged its BML 7-4 well, but according to Meridian this well has not been placed on production because of completion problems. During 2005 Meridian plugged and abandoned its BML 21-1 well as a dry hole. In August and September of 2005 Hurricane Katrina and Rita severely impacted all the production facilities supporting production emanating from our property. To Meridian's credit they began placing wells back on production during the first part of October and completed placing all wells which were producing prior to the hurricanes on production by the first part of November, with the exception of the BML 28-1 well, which according to Meridian, may have to be re-drilled due to severe damage to the Christmas tree. Correspondingly, Manti Jambi, Inc. placed its BML 1 and 3 wells back on production during November of 2005. In addition to the Meridian wells, on December 31, 2005 the Manti Jambi, Inc.-BML 1 and 3 wells continued to produce natural gas on compression. As of December 31, 2005 the combined gross daily production rate from 14 wells was approximately 45 million cubic feet (mmcft) with net daily production accruing to the Company of approximately 5.0 mmcft.

The year end reserve study commissioned by the Company and completed by an independent reservoir engineer estimates that as of December 31, 2005 the Company's "Developed Producing" proved reserves are 3.393 billion cubic feet (bcf) of natural gas and estimates that the "Developed Non-Producing" proved reserves are .643 bcf, with the "Proved Un-Developed" being .384 billion cubic feet, totaling 4.421 bcf of proved reserves. The same reserve study estimates the productive life of the wells ranges from one to seven years with slightly more than 38% of the proved reserves depleting prior to the end of 2006. It should be noted that the current production and the corresponding proved reserves are being produced from 9 producing units and other leased based production covering approximately 3,900 acres of Company property, with the Company owning an additional 85,500 +/- acres. The reserve study does not cover or attempt to estimate un-proven reserves under any of these 85,500 +/- acres. As of this time, we offer no guidance as to quantities of reserves, if any, under any of these 85,500 +/- acres

Prior to 2004, the Company has historically declared one dividend each year, during 2005 the Board of Directors declared three dividends totaling \$3.75 per share of outstanding common stock.

As of the middle of February our Metairie, Louisiana office has been partially renovated and we have reopened for business with our staff working out of their homes and the office. We hope to have the renovations completed by the end of March. As previously reported we were able to successfully evacuate and save all of our electronic files including all processed and raw 3D seismic data prior to Hurricane Katrina. Unfortunately, most of our paper files were damaged by flood waters. The files have been restored through a freeze drying process and are back in our possession. While the vast majority of the papers contained in each file are readable, all papers must be removed from the file folders and refiled. During this process we are scanning each paper so that we will have electronic back up for all of our paper files.

Prior to Hurricane Katrina we retained the services of T. Baker Smith, Inc to develop a *Restoration and Stabilization Plan* for our property. Due to Hurricane Katrina we have extended the scope of this project and retained additional technical experts to assist in formulating the plan. We hope to have the plan finished by mid-year and are going to use the Plan to seek Federal funding for restoration. T. Baker Smith, Inc. is also in the process of determining the extent of the damage to the property caused by Hurricanes Katrina and Rita. This is being done by comparing pre-storm and post-

storm satellite imagery. While there was damage to the property, we are encouraged by the preliminary results of this comparison.

In addition to the *Restoration and Stabilization Plan* the Company is setting up the Biloxi Marsh Disaster Relief Fund Corporation. The Board has approved a substantial donation to set up this fund and we plan to match a portion of each donation received by the Biloxi Marsh Disaster Relief Fund Corporation contributed by third parties, The Company has implemented a cap on the funds which it intends to match. The purpose of the Fund is to solicit additional funds and provide funding for the rebuilding of St. Bernard Parish which was devastated by Hurricane Katrina. The Biloxi Marsh Disaster Relief Fund Corporation will have a Board of five people with strict governance rules with KPMG providing auditing and accounting services, all of which are designed to lend credibility to the Relief Fund and the way it expends funds.

William B. Rudolf, President and CEO, commented: "We are pleased with the level of revenue and earnings despite the fact that we did not receive any royalty payment during the month of December. The Company's large open acreage position combined with its sizeable 3D seismic inventory should represent an opportunity for the company. As previously stated we have retained a geologist and geophysicist, to determine the extent of the potential opportunities. Senior Management is involved in this process which will help us determine the extent of our remaining potential reserves. Once this process is completed Management will have a better understanding of the strategic course the Company should take and the Board of Directors will take appropriate steps to take advantage of any opportunities that may be identified."

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.

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", "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", "Statement of Revenues and Expenses and Retained Earnings" and "Statement of Cash Flows" have been derived from audited financial statements, but do not include the information and footnotes that are an integral part of the complete financial statements. A complete copy of the "Financial Statements and Additional Information, Years Ended December 31, 2005 and 2004" along with *President's Report to shareholders* dated March 10, 2006, and the Company's *Proxy Statement* dated March 14, 2006, is available through contacting the Company via email, csbiloxi@bellsouth.net, or in writing, Attention: Investor Relations, Biloxi Marsh Lands Corporation, 1605 Airline Drive, Suite 103, Metairie, LA 70001.

BILOXI MARSH LANDS CORPORATION

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

December 31, 2005 and 2004

	Assets	2005	2004
Current assets:			
Cash and cash equivalents	\$ 3,545,301	224,786	
Refundable federal taxes	—	219,787	
Marketable debt and equity securities (at cost)	8,633,691	<u>5,844,195</u>	
Total current assets	<u>12,178,992</u>	<u>444,573</u>	
Investments:			
Marketable debt and equity securities (at cost)	6,661,708	5,485,812	
Land (at cost)	234,939	234,939	
	<u>6,896,647</u>	<u>11,564,946</u>	
Property:			
Levees and office furniture and equipment (net of accumulated depreciation of \$173,497) (\$168,553 at 2004)	—	728	
Total assets	<u>\$ 19,075,639</u>	<u>12,010,247</u>	
Liabilities and Stockholders' Equity			
Current liabilities:			
Federal income taxes payable	\$ 2,395,312	—	
State income taxes payable	375,289	643,031	
Payroll taxes payable	22,138	14,431	
Total current liabilities	<u>2,792,739</u>	<u>657,462</u>	
Stockholders' equity:			
Common stock, \$.001 par value - 20,000,000 shares authorized, 2,851,196 shares issued, 2,754,428 shares outstanding	47,520	47,520	
Retained earnings	<u>16,310,195</u>	<u>11,380,080</u>	
Less cost of treasury stock - 96,768 shares	16,357,715	11,427,600	
	<u>(74,815)</u>	<u>(74,815)</u>	
Total liabilities and stockholders' equity	<u>\$ 19,075,639</u>	<u>12,010,247</u>	

BILOXI MARSH LANDS CORPORATION

Statements of Revenues and Expenses and Retained Earnings - Income Tax Basis
Years Ended December 31, 2005 and 2004

	3 Months Ended December 31		12 Months Ended December 31	
	2005	2004	2005	2004
Revenues:				
Oil and Gas				
Lease bonuses and delayed rentals	\$ 541,496	1,240,262	\$ 1,943,308	3,603,203
Pipeline right of ways	-	10,000	104,660	382,501
Royalties (net of production taxes)	2,528,262	5,647,817	19,210,457	17,281,910
Seismic permit fees	-	-	-	-
Total Oil and Gas	3,069,758	6,898,079	21,258,425	21,267,614
Other:				
Dividends and interest	41,421	37,200	289,711	114,065
Gain on sale of securities	65,466	441,584	954,085	802,846
Surface Rentals	(799)	8,344	7,869	38,414
Other	2,548	-	2,548	3,761
Total Other revenues	108,636	487,128	1,254,213	959,086
Total Revenue	3,178,394	7,385,207	22,512,638	22,226,700
Expenses				
Total Expenses	742,318	487,528	1,567,184	1,057,337
Net Income before provision for income taxes	2,436,076	6,897,679	20,945,454	21,169,363
Income taxes				
Provision for income taxes	195,371	2,462,323	7,063,448	7,348,323
Net Income	2,240,705	4,435,356	13,882,006	13,821,040
Retained Earnings-beginning of period	14,062,752	9,699,152	11,380,080	4,789,413
Dividends	16,303,457	14,134,508	25,262,086	18,610,453
Retained earnings-end of year	(6,738)	2,754,428	8,951,891	7,230,373
Per Share	16,310,195	\$ 11,380,080	16,310,195	\$ 11,380,080
	\$ 0.82	\$ 1.61	\$ 5.04	\$ 5.02