

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Results for the Fourth Quarter of 2010, 12 Months ending December 31, 2010

Metairie, LA., March 4, 2011 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) announces results for the periods ending December 31, 2010 and provides update. Total revenue for the year ending December 31, 2010 was \$7,069,909 compared to total revenue of \$23,008,898 in 2009. The annual revenue breakdown is as follows: 2010 revenue from oil and gas activity was \$7,030,933 compared to revenue of \$22,041,872 in 2009. \$5,205,463 in revenue categorized as *Settlement Proceeds* emanate from the settlement of all cases involving disputed ownership of water-bottoms between the Company and the State of Louisiana. It should be noted that revenues received as the result of the settlements are onetime, non-recurring revenue items. The non-recurring settlement revenues were \$5,205,463 in 2010 and \$24,215,176 in 2009. During 2010, total revenues included a \$764,019 loss emanating from the *Gain (Loss) from Investment in Partnership* category which represents the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$2,615,703 in the same category for the prior year. B&L was able to expense Depreciation, Depletion, and Amortization. BLMC's share of these expenses was \$733,934 for 2010 and \$855,599 for 2009. Dividend and interest income for 2010 was \$327,475, compared to \$362,442 for 2009. In 2010 we realized a cumulative gain from the sale of investment securities of \$218,149 compared to a cumulative gain in the amount of \$122,461 in 2009. Meanwhile, expenses for the year totaled \$1,649,451 compared to \$2,139,318 for the prior year. For the year, net earnings were \$3,934,262 or \$1.44 per share compared to \$13,722,625 or \$5.00 per share in 2009.

The Company previously announced that all cases involving disputed water-bottoms between the Company and the State of Louisiana had reached an amicable settlement. The settlement does not involve resolving the issue of ownership of the disputed water-bottoms, it simply involves the sharing of past and future revenues emanating from each production unit which contained disputed water-bottoms. The Company maintains its claim to all of its titled acreage including any and all water-bottoms in dispute and will take all legal actions to protect its title. These settlement agreements have resulted in the dismissal of all litigation between the settling parties. In accordance with the settlement agreements, the Company received a onetime non-recurring settlement payment of \$5,205,463. Also, under the terms and provisions of the settlement the Company and the State will share future revenues from production emanating from the production units which were the subject of the litigation.

The Meridian Resource Exploration, LLC recompleted the Biloxi Marsh Lands 1-2 well which returned to production during July of 2010. This well is located on the Company's property. Meanwhile, B&L had three new wells placed on production during the year. The SL 19061 #1 well located in St. Bernard Parish, Louisiana and operated by B&L, was placed on production in January of 2010. B&L has a 41.875% working interest in the SL 19061 #1. The Delacroix #41ST and the SL 1212 #1 wells located in Point A La Hache Field in Plaquemines

Parish, Louisiana in which B&L has non-operated working interests were placed on production during 2010. B&L has a 25% working interest in each of these wells with the Delacroix #41ST being placed on production during February and the SL 1212 #1 being placed on production during June of 2010.

As of December 31, 2010 the combined gross daily production rate from 5 wells operated by the Company's mineral Lessees was approximately 11.0 million cubic feet (mmcf) of natural gas with net daily production accruing to the Company of approximately 1.6 mmcf. As of December 31, 2010, B&L's net daily production was approximately 3.0 million cubic feet of natural gas equivalents (mmcfge) (15:1 oil to gas ratio) compared to approximately .782 mmcfge per day on December 31, 2009. Combining this daily production with the Company's proportional share of the daily production from the B&L wells makes the total net daily production accruing to the Company as of December 31, 2010 approximately 4.02 mmcf per day compared to 1.3 mmcfge on December 31, 2009.

During the fourth quarter of 2010 B&L successfully drilled and completed the Gautreaux #1 well located in Vermillion Parish, Louisiana. This well was completed in the Planulina Reservoir "B" sand. On October 31, 2010 during a twenty-four (24) hour flow test the well flowed at a sustained rate of approximately 3.1 mmcfge per day and approximately 20 bbls of oil per day with flowing tube pressure averaging approximately 3,425 psi with little or no pressure draw down. B&L is the current Operator of this well. Production facilities are completed and flowlines constructed. We are awaiting tie into an existing El Paso/Tennessee Gas sales pipeline tap. We anticipate that this well should be placed on production by the end of April 2011. B&L has a 41.875% working interest in this well. Additionally, during the fourth quarter of 2010 B&L participated in non-operated working interest basis in the LL&E #1 well located in Terrebonne Parish, Louisiana. On November 8, 2010 electric logs were run indicating apparent pay sands in 5 separate intervals. This well is operated by Gulf South Operators Inc. and is currently being completed and fully evaluated. We will provide updates on LL&E #1 well as they become available. According to the Operator this well should be placed on production by June of 2011.

The end of the year proved reserve study commissioned by the Company and completed by T. J. Smith & Company, Inc., an independent reservoir engineer, estimates that as of December 31, 2010 the BLMC's "Developed Producing" (PDP) reserves were 1.65 billion cubic feet (BCF) of natural gas and estimates that the "Developed Non-Producing" (PDNP) reserves were .642 BCF, totaling 2.29 BCF of estimated proved natural gas reserves. This represents an increase in our fee based land reserves of approximately .34 BCF. Additionally, this reserve study estimates that slightly more than 25% of the proved reserves will deplete by the end of 2011. In addition to the foregoing estimated proved reserves, another reserve study completed by the same independent reservoir engineer estimates that B&L's proved reserves as of December 31, 2010 were 2.3 billion cubic feet (BCF) of natural gas and 25 thousand barrels of oil (MBBL) compared to 2.2 BCF and 27 thousand barrels of oil (MBBL) at the end of 2009. Based upon the Company's proportional ownership in the B&L wells, as of December 31, 2010 the portion of the estimated reserves allocated to the Company was approximately 1.61 BCF of natural gas and 22.5 MBBL of oil. Combining the Company's portion of the proved reserves in both studies makes the estimated proved reserves accruing to the Company to approximately 3.7 BCF of natural gas and 22.5 MBBL of oil, equating to approximately 4.01 BCFE or natural gas equivalents (15:1 ratio). This compares to total proved reserves allocated to the Company as December 31, 2009 of approximately 4.08 BCFE (15:1 ratio). The proved reserve studies referenced above include explanatory notes that are an integral part of each study. A copy of the 2011 *President's Report to Shareholders* that includes these notes will be

available on the Company's website after March 30, 2011. We recommend that all interested parties refer to our website to view these notes and other relevant information: www.biloximarshlandscorp.com .

B&L was organized as a limited liability Company (LLC) under the laws of Louisiana in July of 2006. B&L's Class A members are BLMC and Lake Eugenie Land & Development, Inc. (LKEU), which have membership percentages of 75% and 25% respectively. The Operating Agreement was amended on November 16, 2009 to create a Class B membership to allow for certain future projects at the discretion of the board of managers to be participated by either Class A or Class B members or a combination of the respective Classes. B&L's Class B members are BLMC and LKEU, which have membership percentages of 90% and 10% respectfully.

Four years ago, the Company returned to its custom of paying one dividend per calendar year. During its meeting held on December 14, 2010, the Board of Directors declared a \$1.25 per share dividend payable on Thursday, December 30, 2010 to shareholders of record as of the close of business on Friday, December 24, 2010. This represents a total cash dividend payment of \$3,426,785 or \$1.25 per share. Since 2002, the Company has paid slightly more than \$50,000,000 in total dividends. With our fee land based production depleting and no new wells being drilling on our fee lands as of this time, it will be difficult to maintain the level of dividends paid since 2002. With this said, using 3D seismic data in our possession, we are constantly working on developing the minerals located below our fee lands. Meanwhile, we are focusing on developing reserves outside of our fee acreage position through our investment in B&L. B&L in its current infancy stage as a startup exploration Company should not be viewed as a dividend producing entity.

William B. Rudolf, President and CEO, commented: "We are pleased with the results of B&L's drilling program. Our increased daily production and accompanying increased revenues are of particular importance. With three new wells placed on production during 2010 and two new discovery wells awaiting placement on production, last year represented a good year for B&L. We plan to continue B&L's drilling program and have three additional wells scheduled to be drilled during 2011 and are evaluating additional prospects. Meanwhile, we continue to work on developing both shallow and deep prospects on the Company's property. We are particularly focused on our deep Tuscaloosa Project. Using 3D seismic data in our possession, our technical team has identified several massive structures that could yield significant natural gas and condensate reserves. There is no guarantee that we will be successful in developing our Tuscaloosa Project or if Tuscaloosa wells will ever be drilled resulting in discoveries, but we are fully committed and will continue our efforts to attract partners interested in this Project. With the difficulties that companies are experiencing in obtaining drilling permits in federal waters of the Gulf of Mexico combined with the turmoil in the Middle East, now appears to be the time for companies with vision to invest in onshore exploration for deep natural gas."

The Company maintains a website; www.biloximarshlandscorp.com and we strongly recommend that all investors and interested parties visit the website to view historical press releases, historical financial statements including *President's Report to Shareholders* and general information about the Company. During January 2008 we moved our office to One Galleria Blvd., Suite #902. Complete and updated contact information is available on the Company's website: www.biloximarshlandscorp.com .

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 land. The Company also derives revenues from its ownership interest in B&L Exploration, LLC and 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* and *Statement of Revenues and Expenses* have been derived from our end of the year financial statements, but do not include the information and footnotes that are an integral part of a complete financial statement. A complete copy of the audited *Financial Statements and Schedule, Years Ended December 31, 2010 and 2009* along with the 2011 *President's Report to Shareholders* and the Company's *Proxy Statement* will be available after March 30, 2011 on our website www.biloximarshlandscorp.com or through requesting a copy in writing; from the Company - Attention: Investor Relations, Biloxi Marsh Lands Corporation, One Galleria Blvd., Suite #902, Metairie, LA 70001.

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BILOXI MARSH LANDS CORPORATION

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

December 31, 2010 and 2009

Assets	2010	2009
Current assets:		
Cash and cash equivalents	\$ 4,470,636	6,611,227
Accounts receivable	207,286	148,996
Settlement funds receivable	1,730,389	—
Accrued interest receivable	38,893	69,571
Federal income taxes receivable	—	244,918
Prepaid expenses	39,144	37,327
State income taxes receivable	—	80,803
Due from related party	27,647	—
Other assets	3,830	3,830
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Total current assets	6,517,825	7,196,672
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Investment in partnership	4,758,899	2,822,918
Marketable debt and equity securities - at cost	8,043,450	7,679,804
Land	234,939	234,939
Levees and office furniture and equipment	277,679	251,332
Accumulated depreciation	(277,679)	(251,332)
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Total assets	\$ 19,555,113	17,934,333
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Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	1,088,754	—
Accrued expenses	\$ 44,856	21,747
Other current liabilities	3,960	2,520
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Total current liabilities	1,137,570	24,267
Stockholders' equity:		
Common stock, \$0.001 par value. Authorized 20,000,000 shares; issued 2,851,196 shares; outstanding 2,741,428 shares in 2010 and 2009	47,520	47,520
Retained earnings	18,553,088	18,045,611
Treasury Stock, 109,768 and 109,768 shares in 2010 and 2009, respectively, at cost	(183,065)	(183,065)
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Total liabilities and stockholders' equity	\$ 19,555,113	17,934,333
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BILOXI MARSH LANDS CORPORATION
 Statements of Revenues and Expenses - Income Tax Basis
 Years ended December 31, 2010 and 2009

	3 Months Ended December 31		12 Months Ended December 31	
	2010	2009	2010	2009
Revenues:				
Oil and gas royalties	724,124	411,834	1,833,661	1,341,856
Oil and gas royalties settlement	5,205,463	(130,973)	5,205,463	21,460,469
Surface rentals	50,000	50,000	80,000	50,000
Severance taxes	(34,043)	(29,291)	(88,191)	(810,453)
	<u>5,945,544</u>	<u>301,570</u>	<u>7,030,933</u>	<u>22,041,872</u>
Other Income:				
Gain (loss) from investment in partnership	(843,640)	(2,257,270)	(764,019)	(2,615,703)
Dividends and interest income	80,177	112,192	327,475	362,442
Interest income on oil and gas royalties settlement	-	(196,021)	-	2,754,707
Gain (loss) on sale of securities	132,225	-	218,149	122,461
Surface rentals	(18,768)	3,575	18,714	16,125
Other	238,657	326,994	238,657	326,994
	<u>(411,349)</u>	<u>(2,010,530)</u>	<u>38,976</u>	<u>967,026</u>
Total other revenues	<u>(411,349)</u>	<u>(2,010,530)</u>	<u>38,976</u>	<u>967,026</u>
Total revenue	<u>5,534,195</u>	<u>(1,708,960)</u>	<u>7,069,909</u>	<u>23,008,898</u>
Expenses				
Total expenses	<u>902,007</u>	<u>1,072,706</u>	<u>1,649,451</u>	<u>2,139,318</u>
Net Income before income taxes	<u>4,632,188</u>	<u>(2,781,666)</u>	<u>5,420,458</u>	<u>20,869,580</u>
Income taxes				
Provision for income taxes	<u>1,249,716</u>	<u>(918,002)</u>	<u>1,486,196</u>	<u>7,146,955</u>
Net Income	<u>3,382,472</u>	<u>(1,863,664)</u>	<u>3,934,262</u>	<u>13,722,625</u>
Net income per share	<u>\$ 1.23</u>	<u>\$ (0.68)</u>	<u>\$ 1.44</u>	<u>\$ 5.00</u>