

Biloxi Marsh Lands Corporation

One Galleria Blvd., Suite #902

Metairie, Louisiana 70001

Phone: (504) 837-4337

Fax: (504) 837-1889

Biloxi Marsh Lands Corporation Announces Audited Results for the Fourth Quarter of 2013, 12 Months ending December 31, 2013 and provides update

Metairie, LA., March 14, 2014 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) announces results for the year ending December 31, 2013 and provides update. The Company's annual revenue breakdown is as follows: 2013 revenue from oil and gas production for its fee lands was \$636,189 compared to revenue of \$572,559 in 2012.

For the year 2013, total revenues included a \$1,740,193 loss emanating from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$714,604 from B&L in the prior year. As an operating oil and gas entity, B&L's results included deductions for depreciation, depletion and amortization (DD&A) costs relating to its ongoing drilling and production activities. BLMC's share of these DD&A expenses was \$927,415 and \$800,488 for 2013 and 2012, respectively.

Meanwhile, dividend and interest income for 2013 was \$164,275, compared to \$199,024 for 2012. In 2013, the Company realized a cumulative gain from the sale of investment securities of \$2,072,125 compared to a cumulative gain in the amount of \$23,630 in 2012. During the fourth quarter of 2013, the Company recognized a settlement gain in the amount of \$3,189,681. Total revenues for 2013 were \$4,375,680 compared to \$198,297 during 2012. Expenses for the year totaled \$1,116,014 compared to \$983,083 for the prior year. For the year, the Company had net income of \$2,450,729 or \$.90 per share compared to a net loss of \$460,635 or \$.17 per share in 2012.

As of December 31, 2013, the combined gross daily production rate from 4 wells operated by the Company's mineral lessees was approximately 3.02 million cubic feet (mmcf) of natural gas with net daily production accruing to the Company of approximately .359 mmcf. Meanwhile, as of December 31, 2013, B&L's gross production was approximately 4.716 mmcfg and 312 barrels of oil from 5 wells with .804 mmcfg and 31 barrels of oil per day accruing to B&L.

Freeport-McMoRan Oil and Gas (FM O&G), a wholly owned subsidiary of Freeport-McMoRan Copper and Gold Inc. (NYSE:FCX), in FCX's January 22, 2014 news release stated that: *"The Lomond North exploratory well in the Highlander area,.....,located in St. Martin Parish, Louisiana, is currently drilling and has encountered gas pay in several Wilcox and Cretaceous aged sands between 24,000 feet and 29,000 feet. The wireline log and core data obtained from the Wilcox and Cretaceous sand packages evaluated to date indicate favorable reservoir characteristics with approximately 150 feet of net pay. FM O&G will*

continue drilling the Lomond North well in the Cretaceous to test deeper prospective targets. FM O&G plans to commence completion operations in mid-2014 followed by a flow test. FM O&G has identified multiple exploratory prospects in the Highlander area where it controls rights to approximately 56,000 gross acres.”

Subsequently, during the 2014 Credit Suisse Energy Summit held in February 2014, FM O&G presented the Lomond North Well log, structure map and the proposed location of the second well to be drilled in the Highlander area. FM O&G illustrated that the “*Lomond North Discovery*” is the first discovery in the Highlander area and is a discovery within the “*Cretaceous Tuscaloosa*” sand interval. The presentation stated that the Highlander area has “*3.0 TCF Gross Resource Potential.*” While B&L’s management is encouraged by FM O&G reports, B&L does not have access to information beyond that which is made public by FM O&G and its working interest partners. B&L is awaiting the scheduled flow test of the Lomond North well with cautious optimism. In the event that the flow test is successful and the well is placed on production at rates estimated by FM O&G and/or its working interest partners, the revenue derived from the overriding royalty interest would be relatively significant to B&L.

As previously reported, B&L has been assigned and is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the Lomond North prospect discovery well and in all mineral leases obtained by FM O&G in its Highlander project area located in Iberia, St. Martin, Assumption and Iberville Parishes, Louisiana.

As previously reported, B&L is actively assembling additional prospective acreage on which to explore, exploit and develop the acreage’s mineral interest. The goal is to place a portion of the working interests with third party industry partners in an effort to mitigate risk. In addition to the Lomond North discovery well in which B&L has an ORRI, B&L participated in the drilling of the Williams C-4 ST1 well during the third quarter of 2013. On September 26, 2013 electric logs were run in the Williams C-4 ST1 well. Electric logs indicated approximately 22’ of net oil pay sand in the “J” sand interval. In the subsequent flow test, the well flowed at a maximum rate of 665.9 barrels of oil per day (BOPD) and 0.0 barrels of water per day (BWPD), with flowing tubing pressure (FTP) of 1318 psi on a 13/64” choke. B&L has a 16.59% working interest in this well. On March 14, 2014 Linder Oil and Gas, the Operator, began the process of placing this well on production. The planned production rate is approximately 400 barrels of oil per day and associated natural gas.

B&L’s acquisition of approximately 50 square miles or approximately 30,000 acres of mineral and surface rights in Calhoun and Victoria County, Texas is identified as B&L’s Lago Verde 3D Seismic Project. As previously reported, B&L successfully placed a significant working interest in its Lago Verde project with the Bass Group with main offices in Fort Worth, Texas. The current evaluation of the processed 3D seismic data indicates multiple prospect and additional prospect leads. BOPCO, the operating company for the Bass Group, will operate any wells that may be drilled within this Lago Verde project area. B&L retained a 33.5% ground floor working interest in the Lago Verde project. As of this time, it is anticipated that drilling operations on the Lago Verde multi-well drilling program should commence during the latter part of the second quarter or the early part of the third quarter of 2014. In the initial round of drilling, B&L and the other working interest owners plan to drill

four to five prospects. In the ordinary course of any exploration program, the success or failure of the initial round of drilling could lead to the drilling of additional or fewer prospects.

As previously reported, B&L has obtained the mineral rights to Eugene Island Block 74. B&L currently holds a 60% working interest in Eugene Island Block 74. We reported that B&L hoped to commence drilling operations during 2014. Due to other exploratory priorities, B&L's management has decided to delay drilling operations in the Eugene Island Block 74 prospect area until 2015.

During 2013, the Company received a settlement payment for its wetlands real property claim under the BP Deepwater Horizon Economic and Property Damages Settlement Program. The Company has been advised by our legal counsel that an additional limited recovery under the settlement is expected, but as of this time it is difficult to determine the timing and amount of the additional settlement, if any.

Beginning on October 1, 2008 the Company announced its initial stock repurchase plan to purchase up to 27,500 shares of our common stock. Since that time we have authorized the purchase of additional shares, thus bringing the total authorized amount of shares under the plan to 67,500. As of December 31, 2013 we have been successful in purchasing a total of 39,400 shares of common stock as authorized by our Board of Directors. We plan to continue to repurchase our common stock during 2014.

The Company and B&L have commissioned proved reserve studies as of December 31, 2013. Summaries and notes from these proved reserve studies will be included in the 2014 *President's Report to Shareholders* and will be available on the Company's website after March 28, 2014. The Company recommends that all interested parties refer to its website to view the reserve summaries 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. In December 2012, the members approved the consolidation of all the membership classes into a single class of membership, consistent with the Class A membership. All appropriate actions were taken according to the terms of the operating agreement with respect to the consolidation. Effective January 1, 2013, BLMC and LKEU have membership percentages of 75% and 25%, respectively.

During its meeting held on December 13, 2013, the Board of Directors declared a dividend of \$.55 per outstanding share of common stock payable on Friday, December 27, 2013 to shareholders of record at the close of business on Tuesday, December 24, 2013. This represents a total cash dividend payment of \$1,493,265 or \$.55 per share in 2013. Since 2002, the Company has paid approximately \$53,900,000 in total dividends. With the Company's fee land based production depleting and no new wells being drilled on its fee lands, it will be difficult to maintain the level of dividends paid since 2002. With this said, using 3D seismic data in its possession, the Company is constantly working on developing the minerals

located below its fee lands. Meanwhile, the Company is focusing on developing reserves outside of its fee acreage and diversifying into oil production through its investment in B&L. In its current stage of growth and continued reinvestment in its successful drilling program, B&L should not be viewed as a dividend producing entity.

William B. Rudolf, President and CEO, commented: “We are awaiting the flow test on FM O&G’s Lomond North well with cautious optimism. In the event that this well flows natural gas and condensate at commercial rates from the Tuscaloosa sand interval, it could mean an increase in drilling activity throughout coastal Louisiana, including on the Company’s fee lands. We are watching closely the significant draw down in natural gas storage and the current increase in natural gas pricing. In the event that natural gas pricing remains at higher levels and the Lomond North well produces at commercial rates, we intend to concentrate our efforts on marketing the deep gas prospects beneath the Company’s fee lands, including Alpha and Beta prospects.”

The Company maintains a website, 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 land and minimal revenues from surface rentals. The Company also derives revenues and expenses from its ownership interest in B&L Exploration, LLC (B&L).

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—Income Tax Basis* and *Statements of Revenues and Expenses—Income Tax Basis* have been derived from the Company’s 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—Income Tax Basis, Years Ended December 31, 2013 and 2012* along with the 2014 *President’s Report to Shareholders* and the Company’s

Proxy Statement will be available after March 28, 2014 on the Company's 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.

Contact:
Biloxi Marsh Lands Corporation
Colleen Starks: 504-837-4337

BILOXI MARSH LANDS CORPORATION

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

December 31, 2013 and 2012

Assets	2013	2012
Current assets:		
Cash and cash equivalents	\$ 3,378,827	1,802,767
Accounts receivable	64,157	112,763
Accrued interest receivable	20,838	19,275
Prepaid expenses	38,967	36,113
Deferred tax asset	21,265	426,345
State income taxes receivable	—	177,850
Marketable debt securities - at cost	300,262	295,525
Other assets	3,830	3,830
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Total current assets	3,828,146	2,874,468
Investment in partnership	4,131,060	2,571,253
Marketable debt and equity securities - at cost	8,202,631	9,173,122
Land	234,939	234,939
Levees and office furniture and equipment	314,943	307,323
Accumulated depreciation	(312,538)	(303,454)
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Total assets	\$ 16,399,181	14,857,651
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Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	\$ 599,250	14,386
Accrued expenses	35,893	20,526
Other current liabilities	4,608	4,608
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Total current liabilities	639,751	39,520
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Stockholders' equity:		
Common stock, \$0.001 par value. Authorized, 20,000,000 shares; issued 2,851,196 shares; outstanding, 2,715,028 and 2,716,028 shares in 2013 and 2012, respectively	47,520	47,520
Retained earnings	16,169,535	15,212,071
Treasury stock, 136,168 and 135,168 shares in 2013 and 2012, respectively, at cost	(457,625)	(441,460)
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Total stockholders' equity	15,759,430	14,818,131
Total liabilities and stockholders' equity	\$ 16,399,181	14,857,651
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BILOXI MARSH LANDS CORPORATION
 Statements of Revenues and Expenses - Income Tax Basis
 Years ended December 31, 2013 and 2012

	3 Months Ended December 31		12 Months Ended December 31	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Revenues:				
Oil and gas royalties	\$ 137,820	162,588	614,690	553,326
Severance taxes	<u>(4,947)</u>	<u>(8,680)</u>	<u>(28,501)</u>	<u>(30,767)</u>
Oil and gas royalties, net	132,873	153,908	586,189	522,559
Surface rentals	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Total oil and gas revenues	<u>182,873</u>	<u>203,908</u>	<u>636,189</u>	<u>572,559</u>
Other income (loss):				
Income (loss) from investment in partnership	(1,002,380)	202,345	(1,740,193)	(714,604)
Dividends and interest income	37,549	67,400	164,275	199,024
Gain on settlement	3,189,681	-	3,189,681	-
Gain (loss) on sale of securities	214,126	(191,686)	2,072,125	23,630
Surface rentals	17,328	19,597	29,003	31,772
Other	<u>6,150</u>	<u>6,060</u>	<u>24,600</u>	<u>85,916</u>
Total other income (loss)	<u>2,462,454</u>	<u>103,716</u>	<u>3,739,491</u>	<u>(374,262)</u>
Total revenues and income	<u>2,645,327</u>	<u>307,624</u>	<u>4,375,680</u>	<u>198,297</u>
Expenses:				
Total expenses	<u>460,015</u>	<u>347,665</u>	<u>1,116,014</u>	<u>983,083</u>
Net income (loss) before income taxes	<u>2,185,312</u>	<u>(40,041)</u>	<u>3,259,666</u>	<u>(784,786)</u>
Income taxes:				
Income tax expense (benefit)	<u>667,516</u>	<u>(31,615)</u>	<u>808,937</u>	<u>(324,151)</u>
Net income (loss)	<u>\$ 1,517,796</u>	<u>(8,426)</u>	<u>2,450,729</u>	<u>(460,635)</u>
Net income (loss) per share	\$ 0.56	-	0.90	(0.17)