

# 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 Unaudited Results for the Second Quarter and first Six Months of 2014 and provides update

Metairie, LA., August 8, 2014 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the second quarter of 2014 and first six months of 2014 and provides update. The Company's revenue for the three months ending June 30, 2014 from oil and gas production for its fee lands was \$112,792 compared to revenue of \$169,361 for the second quarter of 2013. For the first six months of 2014, revenue generated from the Company's fee lands decreased to \$224,228 from \$319,909 for the same period in 2013.

During the second quarter of 2014, total revenues included an \$87,013 loss emanating from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$132,655 from B&L for the second quarter of 2013. Correspondingly, total revenue for the six months ended June 30, 2014 includes a net loss of \$320,013 generated by B&L compared to a net loss of \$225,635 from B&L for the first six months of 2013. 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 \$454,980 and \$453,868 for the first six months of 2014 and 2013, respectively.

Meanwhile, dividend and interest income for the first six months of 2014 was \$125,506, compared to \$90,920 for the first six months of 2013. During the second quarter of 2014, the Company realized a cumulative gain from the sale of investment securities of \$431,673 compared to a cumulative gain in the amount of \$758,911 for the same period in 2013. For the first six months of 2014, the cumulative gain from the sale of investment securities was \$1,113,645 compared to \$1,496,891 for the first six months of 2013. Meanwhile, total expenses were \$204,449 compared to \$211,756 for the same period of the prior year. Total expenses for the first six months of 2014 and 2013 were \$456,579 and \$450,062, respectively. The Company had net income of \$180,230 or \$.07 per share for the second quarter of 2014 compared to net income of \$604,361 or \$.22 per share in 2013. Meanwhile, for the first half of 2014, net income was \$436,474 or \$.16 per share compared to net income of \$1,042,905 or \$.38 per share for the same period of 2013.

As of June 30, 2014, the 4 wells operated by the Company's mineral lessees were currently off production due to pipeline work and re-work of the wells. The wells have been returned to production. As of August 1, 2014, the combined daily gross production was approximately 3.7 million cubic feet of natural gas (mmcfg), with approximately .345 mmcfg accruing to the Company. Meanwhile, as of June 30, 2014, B&L's gross production was approximately 3.593 mmcfg and 670 barrels of oil from 5 wells with .808 mmcfg and 71 barrels of oil per day (BOPD) accruing 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 Freeport-McMoRan Oil and Gas (FM O&G) Lomond North 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.

The Williams C-4 ST1 well which was placed on production in March 2014 continues to produce as expected. B&L has a 16.59% working interest in this well. The Williams C-4 ST1 well is producing at rates slightly above the targeted 400 BOPD with approximately .350 mmcf per day and no water production.

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 prospects 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 the date of this release, the drilling operations have commenced with the first prospect of the Lago Verde multi-well drilling program.

B&L was organized as a limited liability Company (LLC) under the laws of Louisiana in July of 2006. B&L's members are BLMC and Lake Eugenie Land & Development, Inc. (LKEU), which have membership percentages of 75% and 25%, respectively.

During the second quarter of 2014, the Company reported that it completed its previously announced stock buyback program with the acquisition of a total of 67,500 shares of its common stock since the inception of the buyback plan in September of 2008. During the course of completing the buyback program, the opportunity to purchase additional shares of common stock presented itself. The Company successfully negotiated the purchase of an additional 151,900 shares in two separate private transactions. Since September of 2008, the total number of shares purchased by the Company as treasury stock is 219,400. The Company paid an average price of \$12.62 for these shares of common stock since the inception of the buyback program. As of the time of this press release, the Company is not actively seeking to repurchase any additional shares of its common stock. The Company currently has 2,535,028 common shares outstanding.

William B. Rudolf, President and CEO, commented: "Through our investment in B&L Exploration, LLC, management continues to aggressively seek diversified opportunities for the Company's shareholders. While B&L's management continues to be cautiously optimistic that the Lomond North well in FM O&G's Highlander area will undergo a commercially successful flow test, it is aware of FM O&G's recent disclosure that its Davy Jones No. 1 well is scheduled to be plugged and abandoned and the initial flow test on its Davy Jones No. 2 well was not a commercial success. B&L is hopeful that different temperature and pressure regimes combined with the apparent presence of hydrocarbons in different aged sand intervals in the Lomond North Well will increase the probability of a commercially successful flow test followed by commercial production. While B&L's management views the commercial development of the Highlander Area as a significant opportunity in which it has no risk capital, management views the Lomond North Well as a component of a diversified exploration, exploitation and drilling program. B&L has invested in other projects that also could be financially significant. Additionally, the Company has approximately 90,000 acres of fees lands on which we are

continually taking steps to further define, delineate and promote its mineral potential. As history demonstrates, management will continue to seek opportunities to create value for our shareholders.”

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 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. The Company also derives revenues and expenses 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”, “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” and “Statements of Revenues and Expenses” have been derived from interim un-audited financial statements which do not include the information and footnotes that are an integral part of a complete financial statement.

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

**BILOXI MARSH LANDS CORPORATION**

Statements of Assets, Liabilities, and Stockholders' Equity

June 30, 2014 and 2013

| Assets  | <u>2014</u>          | <u>2013</u>       |
|---|----------------------|-------------------|
| Current assets:   |                      |                   |
| Cash and cash equivalents   | \$ 1,777,082         | 3,634,083         |
| Accounts receivable   | 36,223               | 214,463           |
| Prepaid expenses  | 64,332               | 60,501            |
| Accrued interest receivable   | 19,611               | 16,900            |
| Deferred tax asset  | 21,265               | 468,821           |
| Other assets  | 3,830                | 3,830             |
| Total current assets  | <u>1,922,343</u>     | <u>4,398,598</u>  |
| Other assets:   |                      |                   |
| Investment in partnership   | 3,811,048            | 2,345,619         |
| Marketable debt and equity securities - at cost   | 8,067,225            | 9,051,651         |
| Land  | 234,939              | 234,939           |
| Levees and office furniture and equipment   | 314,943              | 307,323           |
| Accumulated depreciation  | <u>(312,989)</u>     | <u>(304,186)</u>  |
| Total other assets  | <u>12,115,166</u>    | <u>11,635,346</u> |
| Total assets  | \$ <u>14,037,509</u> | <u>16,033,944</u> |
| <b>Liabilities and Stockholders' Equity</b>   |                      |                   |
| Current liabilities:  |                      |                   |
| Income taxes payable  | \$ 219,556           | 151,834           |
| Accrued expenses  | 2,441                | 16,466            |
| Other current liabilities   | 4,608                | 4,608             |
| Total current liabilities   | <u>226,605</u>       | <u>172,908</u>    |
| Stockholders' equity:   |                      |                   |
| Common stock, \$.001 par value. Authorized, 20,000,000 shares;<br>issued, 2,851,196 shares; outstanding, 2,535,028 and<br>2,716,028 shares in 2014 and 2013, respectively | 47,520               | 47,520            |
| Retained earnings   | 16,606,009           | 16,254,976        |
| Treasury stock - 316,168 and 135,168 shares in 2014 and 2013,<br>respectively, at cost  | <u>(2,842,625)</u>   | <u>(441,460)</u>  |
| Total liabilities and stockholders' equity  | \$ <u>14,037,509</u> | <u>16,033,944</u> |

**BILOXI MARSH LANDS CORPORATION**

## Statements of Revenues and Expenses

June 30, 2014 and 2013

|                                     | <b>3 Months Ended</b> |                | <b>6 Months Ended</b> |                  |
|-------------------------------------|-----------------------|----------------|-----------------------|------------------|
|                                     | <b>June 30</b>        |                | <b>June 30</b>        |                  |
|                                     | <b>2014</b>           | <b>2013</b>    | <b>2014</b>           | <b>2013</b>      |
| Revenues:                           |                       |                |                       |                  |
| Oil and gas royalties               | \$ 117,056            | \$ 177,584     | \$ 233,223            | \$ 336,716       |
| Severance taxes                     | (4,264)               | (8,223)        | (8,995)               | (16,807)         |
| Oil and gas royalties, net          | <u>112,792</u>        | <u>169,361</u> | <u>224,228</u>        | <u>319,909</u>   |
| Other income (loss):                |                       |                |                       |                  |
| Loss from investment in partnership | (87,013)              | (132,655)      | (320,013)             | (225,635)        |
| Dividends and interest income       | 31,434                | 47,417         | 125,506               | 90,920           |
| Gain on sale of securities          | 431,673               | 758,911        | 1,113,645             | 1,496,891        |
| Surface rentals                     | 1,579                 | -              | 1,579                 | -                |
| Total other income                  | <u>377,673</u>        | <u>673,673</u> | <u>920,717</u>        | <u>1,362,176</u> |
| Total revenues and income           | <u>490,465</u>        | <u>843,034</u> | <u>1,144,945</u>      | <u>1,682,085</u> |
| Expenses:                           |                       |                |                       |                  |
| Total expenses                      | <u>204,449</u>        | <u>211,756</u> | <u>456,579</u>        | <u>450,062</u>   |
| Net income before income taxes      | 286,016               | 631,278        | 688,366               | 1,232,023        |
| Income tax expense                  | <u>105,786</u>        | <u>26,917</u>  | <u>251,892</u>        | <u>189,118</u>   |
| Net income                          | <u>\$ 180,230</u>     | <u>604,361</u> | <u>\$ 436,474</u>     | <u>1,042,905</u> |
| Net income per share                | \$ 0.07               | \$ 0.22        | \$ 0.16               | \$ 0.38          |

**BILOXI MARSH LANDS CORPORATION**

## Statements of Revenues and Expenses

March 31, 2014 and 2013

|  | <u>2014</u>       | <u>2013</u>    |
|--|-------------------|----------------|
| Revenues:                                    |                   |                |
| Oil and gas royalties                        | \$ 116,167        | \$ 159,132     |
| Severance taxes                              | (4,731)           | (8,584)        |
| Oil and gas royalties, net                   | <u>111,436</u>    | <u>150,548</u> |
| Other (loss) income:                         |                   |                |
| Income (loss) from investment in partnership | (233,000)         | (92,980)       |
| Dividends and interest income                | 94,072            | 43,503         |
| Gain on sale of securities                   | 681,972           | 737,980        |
| Total other (loss) income                    | <u>543,044</u>    | <u>688,503</u> |
| Total revenues and income                    | <u>654,480</u>    | <u>839,051</u> |
| Expenses:                                    |                   |                |
| Total expenses                               | <u>252,130</u>    | <u>238,306</u> |
| Net (loss) income before income taxes        | 402,350           | 600,745        |
| Income tax (benefit) expense                 | 146,106           | 162,201        |
| Net (loss) income                            | <u>\$ 256,244</u> | <u>438,544</u> |
| Net (loss) income per share                  | \$ 0.10           | \$ 0.16        |