

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Audited Results for the Fourth Quarter of 2016, 12 Months ending December 31, 2016 and provides update

Metairie, LA., March 10, 2017 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) announces results for the year ending December 31, 2016 and provides update. The Company's annual revenue breakdown is as follows: 2016 revenue from oil and gas production for its fee lands was \$81,859 compared to revenue of \$285,136 in 2015. Dividend and interest income for 2016 was \$120,371, compared to \$147,311 for 2015. In 2016, the Company realized a cumulative gain from the sale of investment securities of \$895,344 compared to a cumulative gain in the amount of \$2,195,981 in 2015.

During 2016, the Company recognized a settlement gain in the amount of \$235,663. For the year 2016, total revenues were reduced by \$1,594,923 from the Company's investment in B&L Exploration, LLC (B&L). This compares to a reduction in revenues of \$1,682,847 from B&L in the prior year.

Expenses for the year totaled \$814,362 and were lower than the prior year's expenses of \$932,941. For the year, the Company had a net loss of \$1,043,325 or \$.41 per share compared to net income of \$66,419 or \$.03 per share in 2015.

As of December 31, 2016, the combined net daily production accruing to the Company from 6 wells operated by the Company's mineral lessees was approximately .028 Mmcfg and 2 barrels of oil per day (BOPD). The foregoing production includes four wells producing from S/L 16158 in which the Company owns a small interest. Meanwhile, as of December 31, 2016, B&L's net daily production from 7 wells was approximately 2.14 Mmcfg and 46 BOPD.

As previously reported, the Company has filed a claim against the US Army Corps of Engineers (USACE) for property damages and losses caused by the Mississippi River Gulf Outlet (MR-GO). We will continue to aggressively pursue this claim and will keep our shareholders advised as things progress.

The end of the year proved reserve study commissioned by the Company and completed by an independent reservoir engineering firm estimates that as of December 31, 2016 BLMC's "Developed Producing" (PDP) reserves were .014 billion cubic feet of natural gas (Bcfg) and 1,900 barrels of oil, representing the proved reserves attributed to the Company's fee lands.

Conversely, two independent reserve studies have been completed by separate reservoir engineering firms which estimate that B&L's proved reserves as of December 31, 2016

were approximately 10.8 Bcfg, approximately 257 thousand barrels of oil (Mbbl) and approximately 18.0 Mbbl of natural gas liquids which compared to 10.0 Bcfg, approximately 184 Mbbl of oil and approximately 5.5 Mbbl of natural gas liquids as of December 31, 2015. It should be noted that a significant component of B&L's proved reserves as of December 31, 2016 are Proved Undeveloped (PUD) attributed to B&L's leasehold interest in a federal offshore block located in shallow water on the intercontinental shelf. As is necessary with all PUD reserves, a well or wells must be drilled and completed to fully develop these PUD reserves prior to the expiration of this leasehold interest.

The proved reserve studies referenced above include explanatory notes that are an integral part of each study. A copy of the 2016 *President's Report to Shareholders* that includes these notes will be available on the Company's website after March 31, 2017. The Company recommends that all interested parties refer to its website to view these notes and other relevant information: www.biloximarshlandscorp.com.

Based on information available from the Louisiana Department of Natural Resources, the Highlander discovery well produced approximately 50 MMcfg per day during December 2016. B&L has been assigned and is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the Highlander discovery well and in all mineral leases maintained by Freeport-McMoRan Oil & Gas in its Highlander project area located in Iberia, St. Martin, Assumption and Iberville Parishes, Louisiana. During its meeting held on January 31, 2017 the State of Louisiana, Office of Conservation amended its original unit order concerning the Plan of Development for wells drilled within the 9,000 acre EOC-TUSC BL UDS SUA (production unit from which the Highlander discovery well is producing). The original unit order required that the Operator spud the second unit well by February 6, 2017. The amended unit order extends the obligation to spud the second unit well to February 6, 2019.

B&L's Welder No.1 well continues to produce better than originally anticipated. Meanwhile, the Welder No. 3 well was successfully reworked and hydraulically fractured during the second quarter of 2016 and, as a result, this well is producing at increased flow rates. B&L recently drilled and is commencing completion operations on the Welder No. 4 well located within its Lago Verde project area.

As previously reported, the Company received a settlement payment during 2013 for its wetlands real property claim under the BP Deepwater Horizon Economic and Property Damages Settlement Program. During 2016, the Company received additional settlement payments of \$235,663. As of this time, the Company has been advised by our legal counsel that there is no anticipated additional settlement recovery.

The Company maintains a stock buyback program. On December 14, 2015, the board of directors authorized the additional purchase of up to 30,000 shares of the Company's common stock. The purchases will be made from time to time on the open market at the sole discretion of the Company. All shares purchased will be held as treasury stock.

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 its meeting held on December 16, 2016, the board of directors declared a dividend of \$.10 per outstanding share of common stock payable on Wednesday, January 4, 2017 to shareholders of record at the close of business on Friday, December 30, 2016. This represents a total cash dividend payment of \$253,503 or \$.10 per share. Since 2002, the Company has paid approximately \$55,477,000 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.

William B. Rudolf, President and CEO, commented: "B&L's management continues to be pleased with the results from its Lago Verde Project in south Texas. During the second half of 2016 B&L's actions to increase production from the Welder No. 3 were successful and the Welder No. 4 well was recently drilled and completion operations have commenced. B&L's management believes there should be an opportunity to drill additional wells on its Lago Verde project during 2017. The Company's revenue from its fee lands has declined significantly and development of our minerals beneath our lands continues to prove difficult. This is due to a combination of factors which include the depth of prospects beneath our property, the current price of natural gas and the difficult environment for oil and gas operators in the state of Louisiana. The combination of these factors is making it more challenging for us to attract companies willing to explore for oil and gas in St. Bernard Parish, Louisiana. Nonetheless, we believe that we are positioning the Company for growth through B&L's drilling program in south Texas."

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.

The Company has engaged Postlethwaite & Netterville, APAC (P&N) to provide financial statement services for the year ending December 31, 2016. P&N is one of the leading firms in the Gulf South. For over 65 years, P&N has delivered accounting, tax, consulting and technology services that address its clients' important financial and operational challenges. Today, P&N is more than 600 employees strong, with nine offices in Texas and Louisiana, and is consistently ranked among the top 100 accounting firms in the U.S. by *INSIDE Public Accounting* magazine.

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 fee lands and revenues from surface rentals. BLMC also owns a seventy-five percent interest in B&L Exploration, LLC which explores for and develops oil and gas primarily in Louisiana and Texas.

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, Year Ended December 31, 2016* along with the *2017 President's Report to Shareholders* and the Company's *Proxy Statement* will be available after March 31, 2017 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.

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BILOXI MARSH LANDS CORPORATION

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

December 31, 2016 and 2015

Assets	2016	2015
Current assets:		
Cash and cash equivalents	\$ 3,954,681	2,584,889
Accounts receivable	10,830	22,036
Accrued interest receivable	11,048	17,565
Federal income taxes receivable	7,195	7,195
Prepaid expenses	38,846	39,043
State income taxes receivable	4,948	41,434
Deferred tax asset	21,055	53,150
Marketable debt securities - at cost	265,515	300,025
Other assets	3,830	3,830
Total current assets	4,317,948	3,069,167
Investment in partnership	1,807,105	2,652,028
Marketable debt and equity securities - at cost	4,930,346	6,330,334
Land - at cost	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	8,224	39,841
Levees and office furniture and equipment	314,943	314,943
Accumulated depreciation	(314,483)	(314,009)
Total assets	\$ 11,299,022	12,327,243
Liabilities and Stockholders' Equity		
Current liabilities:		
Accrued expenses	\$ 29,977	14,873
Total current liabilities	29,977	14,873
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,535,028 shares in 2016 and 2015	47,520	47,520
Retained earnings	14,064,150	15,107,475
Treasury stock - 316,168 shares in 2016 and 2015, at cost	(2,842,625)	(2,842,625)
Total stockholders' equity	\$ 11,269,045	12,312,370
Total liabilities and stockholders' equity	\$ 11,299,022	12,327,243

BILOXI MARSH LANDS CORPORATION
Statements of Revenues and Expenses - Income Tax Basis
December 31, 2016 and 2015

	3 Months Ended		12 Months Ended	
	December 31		December 31	
	2016	2015	2016	2015
Revenues:				
Oil and gas royalties	\$ 5,382	\$ 33,084	\$ 81,859	\$ 235,136
Surface rentals	-	50,000	-	50,000
Total oil and gas revenues	<u>5,382</u>	<u>83,084</u>	<u>81,859</u>	<u>285,136</u>
Other income (loss):				
Dividends and interest income	25,328	36,523	120,371	147,311
Gain on settlement	140,552	-	235,663	-
Gain on sale of securities	536,879	1,151,596	895,344	2,195,981
Surface rentals	8,608	5,377	64,818	44,084
Loss from investment in partnership	(282,417)	(937,477)	(1,594,923)	(1,682,847)
Total other income (loss)	<u>428,950</u>	<u>256,019</u>	<u>(278,727)</u>	<u>704,529</u>
Total revenues and other income	<u>434,332</u>	<u>339,103</u>	<u>(196,868)</u>	<u>989,665</u>
Expenses:				
Total expenses	<u>271,990</u>	<u>272,960</u>	<u>814,362</u>	<u>932,941</u>
Net income (loss) before income taxes	162,342	66,143	(1,011,230)	56,724
Income tax expense (benefit)	<u>184,863</u>	<u>(6,155)</u>	<u>32,095</u>	<u>(9,695)</u>
Net income (loss) - income tax basis	<u>\$ (22,521)</u>	<u>72,298</u>	<u>\$ (1,043,325)</u>	<u>66,419</u>
Net income (loss) per share - income tax basis	\$ (0.01)	\$ 0.03	\$ (0.41)	\$ 0.03