

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Unaudited Results for the Third Quarter and first Nine Months of 2017 and provides update

Metairie, LA., November 6, 2017 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the third quarter of 2017 and first nine months of 2017 and provides update. The Company's revenue for the three months ended September 30, 2017 from oil and gas production for its fee lands was \$8,708 compared to revenue of \$27,518 for the third quarter of 2016. For the first nine months of 2017, revenue generated from the Company's fee lands was \$79,170 compared to \$76,477 for the same period in 2016.

Meanwhile, dividend and interest income for the first nine months of 2017 was \$75,304, compared to \$95,043 for the first nine months of 2016. For the first nine months of 2017, the Company realized a cumulative gain from the sale of investment securities of \$639,825 compared to a cumulative gain of \$358,465 for the first nine months of 2016. For the third quarter of 2017, total revenues included a \$42,543 loss from the Company's investment in B&L Exploration, LLC (B&L). This compares to a loss of \$464,317 from B&L for the third quarter of 2016. Correspondingly, total revenue for the nine months ended September 30, 2017 includes a net loss of \$315,106 generated by B&L compared to a net loss of \$1,312,506 from B&L for the first nine months of 2016.

Expenses for the third quarter were \$170,433 compared to \$140,400 for the same period of 2016. Total expenses for the first nine months of 2017 and 2016 were \$536,812 and \$542,372, respectively. The Company had a net loss of \$146,461 or \$0.06 per share for the third quarter of 2017 compared to net income of \$57,714 or \$0.02 per share in 2016. Meanwhile, for the first nine months of 2017, there was a net loss of \$209 or \$0.00 per share compared to a net loss of \$1,020,804 or \$0.40 per share for the same period of 2016.

While 6 wells continue to produce, as of September 30, 2017 the combined net daily production accruing to the Company from its fee lands was minimal. Meanwhile, as of September 30, 2017 B&L's net daily production from 6 wells was approximately 2,266 thousand cubic feet of natural gas (Mcfg) and 32 barrels of oil per day (BOPD).

As previously reported, the Louisiana Coastal Protection and Restoration Authority (CPRA) released the final draft of its 2017 Coastal Master Plan (CMP). The Company plans to engage CPRA in discussions to make certain that all parties involved in the process clearly understand the value of our property and that the Biloxi Marsh Complex is sustainable beyond the time frame which was originally set forth in the draft CMP 2017. The Company has assembled a team of experts in order to revise and update *The Biloxi Marsh Stabilization and Restoration Plan* published in 2006.

As previously reported, on June 15, 2012, the Company filed a claim (Biloxi Marsh Lands Corporation et al v. United States of America) in the U.S. Court of Federal Claims against the US

Army Corps of Engineers (USACE) seeking monetary damages for property damage and losses caused by the Mississippi River Gulf Outlet (MR-GO). A trial solely on the liability portion of the claims was set for October of 2017 but has been continued to March of 2018. Liability is the first phase of the litigation process. If and when the liability phase of the litigation runs its course and reaches full conclusion, there will be a second trial on damages to determine the value of the Company's claims. Given the early stages of this matter, at this time the Company cannot predict the timing of resolution or the outcome of this claim. We will continue to aggressively pursue this claim and will keep our shareholders advised as things progress.

Based on information provided by the well's Operator to the Louisiana Department of Natural Resources (LDNR) and published on LDNR's Strategic Online Natural Resources Information System (SONRIS – www.sonris.com), the Highlander discovery well continued to produce at a flow rate of approximately 45,300 Mcfg per day during September 2017. B&L is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the Highlander discovery well and in all mineral leases obtained and maintained by Freeport-McMoRan Oil & Gas in its Highlander Project Area located in Assumption, Iberia, Iberville, St. Martin and St. Mary Parishes, Louisiana. Beginning in 2012 ORRIs in various leases within the Highlander Project Area started to be assigned to B&L. While B&L has been assigned ORRIs in leases covering close to 50,000 acres, currently only 9,000 acres are held by production (HBP) within the boundaries of the EOC TUSC BL UDS SUA production unit in the Bayou Long Field, St. Martin Parish, Louisiana. B&L is not aware of the status of leases outside of boundaries of the EOC TUSC BL UDS SUA production unit which was established under the Louisiana Office of Conservation's Order Nos. 262-T-1, 262-T-2 and 262-T-3.

As previously reported, B&L had obtained a 60% working interest in a mineral lease in a federal offshore block located in shallow water on the intercontinental shelf offshore of Louisiana. This five-year lease expired in October of 2017 and the associated PUD reserves will not be included in future reserve estimates. Meanwhile during the third quarter, B&L negotiated the sale of a non-operated working interest in a well whose disposition has minimal impact on B&L's net daily production. Unrelated to the foregoing, during October 2017, the Operator of a field in which B&L owns a non-operating working interest filed a bankruptcy petition. B&L does not currently expect a significant impact to its revenues as a result, since B&L's net production associated with that working interest was minimal. As of this time, it is uncertain whether B&L and other working interest owners may incur future expenses as a result of the operator's bankruptcy, which could impact B&L's financial results.

B&L continues to successfully develop its Lago Verde project in South Texas. As previously reported, the Welder No. 4 well was placed on production on April 6, 2017. The Welder No. 4 well is the first development well drilled to offset B&L's Welder No. 3 field discovery well. Continuing its field development, B&L drilled its Welder No. 6 well during July 2017. The Welder No. 6 well is scheduled for hydraulic fracturing operations during the fourth quarter of 2017. B&L drilled its Welder No. 8 well within the past week and is currently scheduling completion operations. B&L is the Operator and has a 62.5% working interest in the Welder No. 3, No. 4, No. 6 and No. 8 wells. B&L's current mineral lease position is approximately 2,500 gross acres in South Texas.

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.

On December 14, 2015, the board of directors authorized the 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. As of the date of this press release, the Company has acquired 7,020 shares.

William B. Rudolf, President and CEO, commented: "B&L's project in South Texas is currently B&L's main area of focus. The results from this project continue to be encouraging and we hope that this project will have continued success. As stated previously, relatively low well costs combined with the possibility of multiple development wells make this project attractive. Meanwhile, continued lower natural gas pricing combined with the political and regulatory environment in South Louisiana is making it difficult for us to attract parties interested in exploring for natural gas on the Company's fee lands."

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 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" 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.

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BILOXI MARSH LANDS CORPORATION
Statements of Assets, Liabilities, and Stockholders' Equity
September 30, 2017 and 2016

Assets	<u>2017</u>	<u>2016</u>
Current assets:		
Cash and cash equivalents	\$ 1,655,430	3,234,045
Accounts receivable	11,689	65,163
Prepaid expenses	61,548	59,444
Accrued interest receivable	16,204	27,221
Deferred tax asset	21,055	205,916
Income taxes receivable	8,786	12,143
Other assets	3,830	3,830
Total current assets	<u>1,778,542</u>	<u>3,607,762</u>
Other assets:		
Investment in partnership	1,492,001	1,639,523
Marketable debt and equity securities - at cost	7,465,578	5,815,219
Land	234,939	234,939
Geological and geophysical costs - fee lands, net of amortization	2,056	16,128
Levees and office furniture and equipment	314,943	315,943
Accumulated depreciation	(314,747)	(314,471)
Total other assets	<u>9,194,770</u>	<u>7,707,281</u>
Total assets	<u>\$ 10,973,312</u>	<u>11,315,043</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Income taxes payable	\$ —	—
Accrued expenses	20,802	23,477
Total current liabilities	<u>20,802</u>	<u>23,477</u>
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,528,008 and 2,535,028 shares in 2017 and 2016, respectively	47,520	47,520
Retained earnings	13,810,438	14,086,671
Treasury stock - 323,188 and 316,168 shares in 2017 and 2016, respectively, at cost	(2,905,448)	(2,842,625)
Total liabilities and stockholders' equity	<u>\$ 10,973,312</u>	<u>11,315,043</u>

BILOXI MARSH LANDS CORPORATION

Statements of Revenues and Expenses

September 30, 2017 and 2016

	3 Months Ended		9 Months Ended	
	September 30		September 30	
	2017	2016	2017	2016
Revenues:				
Oil and gas royalties	\$ 8,708	27,518	\$ 34,170	\$ 76,477
Surface rentals	-	-	45,000	-
Total oil and gas revenues	<u>8,708</u>	<u>27,518</u>	<u>79,170</u>	<u>76,477</u>
Other income (loss):				
Dividends and interest income	27,169	29,667	75,304	95,043
Gain (loss) on sale of securities	(2,917)	461,035	639,825	358,465
Gain on settlement	-	95,111	-	95,111
Surface rentals	33,555	49,100	57,410	56,210
Loss from investment in partnership	(42,543)	(464,317)	(315,106)	(1,312,506)
Total other income	<u>15,264</u>	<u>170,596</u>	<u>457,433</u>	<u>(707,677)</u>
Total revenues and other income	<u>23,972</u>	<u>198,114</u>	<u>536,603</u>	<u>(631,200)</u>
Expenses:				
Total expenses	<u>170,433</u>	<u>140,400</u>	<u>536,812</u>	<u>542,372</u>
Net income before income taxes	(146,461)	57,714	(209)	(1,173,572)
Income tax expense (benefit)	-	-	-	(152,768)
Net income	<u>\$ (146,461)</u>	<u>57,714</u>	<u>\$ (209)</u>	<u>(1,020,804)</u>
Net income per share	\$ (0.06)	0.02	\$ (0.00)	(0.40)