

Biloxi Marsh Lands Corporation

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Biloxi Marsh Lands Corporation Announces Audited Results for the Fourth Quarter of 2018, 12 Months ending December 31, 2018

Metairie, LA., March 8, 2019 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS:BLMC) announces results for the year ending December 31, 2018. The Company's annual revenue breakdown is as follows: 2018 revenue from oil and gas production for its fee lands was \$21,398 compared to revenue of \$103,032 in 2017. The flow-through loss from B&L Exploration, LLC (B&L) reduced the Company's annual revenue by \$1,972,854 in 2018 compared to \$741,597 in 2017. Dividend and interest income for 2018 was \$115,035, compared to \$105,771 for 2017. In 2018, the Company realized a cumulative gain from the sale of investment securities of \$1,591,104 compared to a cumulative gain in the amount of \$548,455 in 2017. During the fourth quarter of 2018, the Company recognized a settlement gain in the amount of \$86,967 with respect to its wetlands real property claim. Expenses for the year totaled \$781,064 compared to prior year expenses of \$743,914. For the year, the Company had a net loss of \$850,545 or \$.34 per share compared to a net loss of \$666,368 or \$.26 per share in 2017.

On Wednesday, January 9, 2019, the Company paid a dividend to its shareholders of record at the close of business on Monday, December 31, 2018. This represents a total cash dividend payment of \$251,301 or \$.10 per share. Since 2002, the Company has paid approximately \$55,980,000 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.

Proved reserve studies have been commissioned covering different properties in which B&L holds interests. A summary of the proved reserve studies will be included in the 2019 President's Report to Shareholders and will be available on the Company's website prior to the Annual Meeting of Shareholders. The Company recommends that all interested parties refer to its website to view the reserve summaries and other relevant information: www.biloximarshlandscorp.com.

Information reported by the Highlander well's operator to the Louisiana Department of Natural Resources (LDNR) is available on LDNR's Strategic Online Natural Resources Information System (SONRIS – www.sonris.com). B&L is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the mineral leases comprising the EOC-TUSC BL UDS SUA production unit from which the Highlander well is producing. Meanwhile, B&L's South Texas operations were adversely affected during the second half of 2018 due to abnormal amounts of rainfall limiting access to well locations, thus affecting operational

effectiveness. B&L's current net daily production is approximately 1,200 thousand cubic feet of natural gas (Mcf) and 4 barrels of oil per day (BOPD).

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.

In an effort to protect and sustain the Company's fee lands in St. Bernard Parish, Louisiana and in response to the Louisiana Coastal Protection and Restoration Authority (CPRA) 2017 Coastal Master Plan (2017 CMP), the Company's expert team, comprised of various scientists from local universities, continues to collect and analyze critical data to determine the root causes of degradation of the Company's marsh lands and determine scientific hypotheses that demonstrate that the Biloxi Marsh Complex is sustainable for a longer period of time than set forth in 2017 CMP.

As previously reported, on June 15, 2012, the Company filed a claim (Biloxi Marsh Lands Corp., et al. v. United States; Case No. 12-382L) in the U.S. Court of Federal Claims against the US Army Corps of Engineers (The Biloxi Case) seeking monetary damages for property damage and losses caused by the Mississippi River Gulf Outlet (MR-GO). In January of 2018 The Biloxi Case was consolidated with other similar landowners' cases against the US Army Corps of Engineers and will proceed as Biloxi Marsh Lands Corp., et al. v. United States, No. 12-382L. Due to the government shutdown, the court delayed the briefing schedule and plans to issue new scheduling orders in early 2019. At this time the Company cannot predict the timing of resolution or the outcome of this litigation process.

Reluctantly, during 2017 the Company was forced to file suit in Louisiana State District Court (34th Judicial District Court in St. Bernard Parish, LA) against Alta Mesa Holdings LP for specific performance demanding clean up and remediation of the Company's property.

During 2018, the Company accrued a settlement payment for its wetlands real property claim under the Halliburton Energy Services, Inc. and Transocean Ltd. Settlement Agreements. The payment was received in January 2019. 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.

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. As of December 31, 2018, the Company has acquired 22,020 shares.

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—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—Income Tax Basis, Year Ended December 31, 2018* along with the *2019 President's Report to Shareholders* and the Company's *Proxy Statement* will be available after April 5, 2019 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, 2018 and 2017

Assets	2018	2017
Current assets:		
Cash and cash equivalents	\$ 2,033,637	2,209,949
Accounts receivable	91,113	13,898
Accrued interest receivable	6,642	6,642
Income taxes receivable	29,538	8,786
Prepaid expenses	40,222	40,195
Marketable debt securities - at cost	300,765	—
Other assets	3,830	3,830
Total current assets	<u>2,505,747</u>	<u>2,283,300</u>
Investment in partnership	217,654	1,065,508
Marketable debt and equity securities - at cost	6,096,339	6,714,675
Deferred tax asset	21,159	21,055
Land - at cost	234,939	234,939
Levees and office furniture and equipment	308,607	314,943
Accumulated depreciation	(308,576)	(314,835)
Total assets	\$ <u>9,075,869</u>	<u>10,319,585</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accrued expenses and other current liabilities	\$ 17,541	33,234
Total current liabilities	<u>17,541</u>	<u>33,234</u>
Stockholders' equity:		
Common stock, \$.001 par value. Authorized, 20,000,000 shares; issued, 2,851,196 shares; outstanding, 2,513,008 and 2,528,008 shares in 2018 and 2017, respectively	47,520	47,520
Retained earnings	12,040,933	13,144,279
Treasury stock - 338,188 and 323,188 shares in 2018 and 2017, respectively, at cost	(3,030,125)	(2,905,448)
Total stockholders' equity	\$ <u>9,058,328</u>	<u>10,286,351</u>
Total liabilities and stockholders' equity	\$ <u>9,075,869</u>	<u>10,319,585</u>

BILOXI MARSH LANDS CORPORATION
Statements of Revenues and Expenses - Income Tax Basis
December 31, 2018 and 2017

	3 Months Ended		12 Months Ended	
	December 31		December 31	
	2018	2017	2018	2017
Revenues:				
Oil and gas royalties	\$ 1,782	\$ 13,862	\$ 21,398	\$ 48,032
Surface rentals	-	10,000	-	55,000
Total oil and gas revenues	<u>1,782</u>	<u>23,862</u>	<u>21,398</u>	<u>103,032</u>
Other income (loss):				
Dividends and interest income	29,611	30,467	115,035	105,771
Gain on settlement	86,967	-	86,967	-
Gain on sale of securities	479,447	(91,370)	1,591,104	548,455
Surface rentals	-	4,475	67,605	61,885
Loss from investment in partnership	(917,415)	(426,491)	(1,972,854)	(741,597)
Total other income (loss)	<u>(321,390)</u>	<u>(482,919)</u>	<u>(112,143)</u>	<u>(25,486)</u>
Total revenues and other income (loss)	<u>(319,608)</u>	<u>(459,057)</u>	<u>(90,745)</u>	<u>77,546</u>
Expenses:				
Total expenses	<u>224,217</u>	<u>207,102</u>	<u>781,064</u>	<u>743,914</u>
Net loss before income taxes	(543,825)	(666,159)	(871,809)	(666,368)
Income tax benefit	<u>(21,264)</u>	<u>-</u>	<u>(21,264)</u>	<u>-</u>
Net loss - income tax basis	<u>\$ (522,561)</u>	<u>(666,159)</u>	<u>\$ (850,545)</u>	<u>(666,368)</u>
Net loss per share - income tax basis	\$ (0.21)	\$ (0.26)	\$ (0.34)	\$ (0.26)