

# Biloxi Marsh Lands Corporation

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## Biloxi Marsh Lands Corporation Announces Unaudited Results for the Third Quarter and First Nine Months of 2020

Metairie, LA., December 15, 2020 (BUSINESS WIRE) – Biloxi Marsh Lands Corporation (PINK SHEETS: BLMC) today announces its unaudited results for the third quarter of 2020 and first nine months of 2020. The Company's revenue for the three months ended September 30, 2020 from oil and gas production for its fee lands was \$1,557 compared to revenue of \$7,165 for the third quarter of 2019. Dividend and interest income for the third quarter of 2020 was \$11,233 compared to \$22,596 for 2019. The Company realized a cumulative gain from the sale of investment securities of \$31,519 compared to a cumulative gain of \$64,736 for the same period of 2019. The flow-through losses from the Company's membership interests in limited liability companies was \$73,188 for the third quarter of 2020 compared to \$488,652 for 2019. During the third quarter of 2020, the Company recognized a settlement gain in the amount of \$1,607,716. Expenses for the third quarter were \$102,321 compared to \$178,577 for the same period of 2019. The Company had net income of \$1,546,908 or \$0.62 per share for the third quarter of 2020 compared to a net loss of \$483,946 or \$0.19 per share in 2019. For the first nine months of 2020, there was net income of \$521,134 or \$0.21 per share compared to a net loss of \$1,836,698 or \$0.73 per share for the same period of 2019.

Due to office closures caused by COVID-19 and various tropical weather events, the timeliness of the Company's office administration has been hindered slightly, but its field operations continue with impact only from the tropical weather events.

The Company's claim (Biloxi Marsh Lands Corp., et al. v. United States; Case No. 12-382L) in the U.S. Court of Federal Claims against the U.S. Army Corps of Engineers seeking monetary damages for property damage and losses caused by the Mississippi River Gulf Outlet is in the process of moving forward. The U.S. Department of Justice filed a motion for summary judgment on the issue of statute of limitations concerning the portion for the Company's claim related to a taking of real property. The parties continue to await the Court's decision. The Company cannot predict the timing of resolution or the outcome of this litigation process, but it is anticipated that this litigation process will take time.

During the third quarter, the Company received a settlement payment for its wetlands real property claim under the Halliburton Energy Service, Inc. / Transocean Settlements arising out of the Deepwater Horizon incident in the Gulf of Mexico beginning on April 20, 2010. These settlements are separate from the BP Deepwater Horizon Economic and Property Damages Settlement Program. The Company has been advised by our legal counsel that

no additional recovery under the settlements is expected related to the BP Deepwater Horizon oil spill.

B&L Exploration, LLC (“BLX”), of which the Company owns a 75% membership interest, is contractually entitled to a 1.5% of 8/8ths overriding royalty interest (ORRI) in the mineral leases comprising the 9,000 acre - EOC-TUSC BL UDS SUA production unit from which the Highlander well is producing. This production unit is located in St. Martin Parish, Louisiana. A series of public hearings have taken place with respect to the production unit. The public meeting to consider the application by one of mineral owners requesting that the size of the unit be reduced was held and an order by the Louisiana’s Department of Natural Resources (“LDNR”), Office of Conservation has yet to be posted on LDNR’s website. Information reported by the Highlander well’s operator to LDNR is available on LDNR’s Strategic Online Natural Resources Information System (SONRIS – [www.sonris.com](http://www.sonris.com)).

BLX continues its operations in South Texas. As previously reported, B&L Resources, LLC (“BLR”), of which the Company owns a 50% membership interest, continues its development efforts in South Texas and is focused on its recent acquisition of Heyser Field from Frostwood Energy, LLC.

Biloxi Marsh Lands Corporation is a Delaware corporation whose principal assets are surface and mineral rights to approximately 90,000 acres of marsh land in St. Bernard Parish, Louisiana, which from time to time generates revenues from mineral activities including lease bonuses, delay rentals, royalties on oil and natural gas production, and fee land income unrelated to oil and gas activities. Through investment in limited liability companies the Company also has separate interests in various oil and gas properties in Louisiana and Texas outside of its fee lands.

We encourage you to visit our website to obtain general information about the Company, its efforts in the coastal restoration arena, as well as historical annual reports and press releases. We strongly recommend that all interested parties become familiar with the information available on the Company’s website: [www.biloximarshlandscorp.com](http://www.biloximarshlandscorp.com).

This news release contains forward-looking statements regarding all of the Company’s business activities including without limitation oil and gas discoveries, oil and gas exploration, and 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 unaudited financial statements which do not include the information and footnotes that are an integral part of a complete financial statement.

Inquiries should be made through the Contact Mailbox on the Company’s website:  
<http://www.biloximarshlandscorp.com/contact/>.

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**BILOXI MARSH LANDS CORPORATION**

## Statements of Assets, Liabilities, and Stockholders' Equity

September 30, 2020 and 2019

| <b>Assets</b>   | <b>2020</b>         | <b>2019</b>        |
|---|---------------------|--------------------|
| Current assets:   |                     |                    |
| Cash and cash equivalents   | \$ 2,280,913        | 916,830            |
| Accounts receivable   | 33,071              | 7,501              |
| Prepaid expenses  | 49,402              | 68,840             |
| Deferred tax asset  | —                   | 21,159             |
| Income taxes receivable   | 4,882               | 28,817             |
| Other assets  | 3,830               | 3,830              |
| Total current assets  | <u>2,372,098</u>    | <u>1,046,977</u>   |
| Other assets:   |                     |                    |
| Membership interest in limited liability companies  | 312,241             | 311,962            |
| Marketable debt and equity securities - at cost   | 3,799,001           | 5,386,720          |
| Land  | 234,939             | 234,939            |
| Total other assets  | <u>4,346,181</u>    | <u>5,933,621</u>   |
| Total assets  | <u>\$ 6,718,279</u> | <u>6,980,598</u>   |
| <b>Liabilities and Stockholders' Equity</b>   |                     |                    |
| Current liabilities:  |                     |                    |
| Accrued expenses  | \$ 34,115           | 57,169             |
| Membership interest in limited liability companies  | 684,294             | —                  |
| Total current liabilities   | <u>718,409</u>      | <u>57,169</u>      |
| Stockholders' equity:   |                     |                    |
| Common stock, \$.001 par value. Authorized, 20,000,000 shares;<br>issued, 2,851,196 shares; outstanding, 2,505,028 shares | 47,520              | 47,520             |
| Retained earnings   | 9,029,375           | 9,952,934          |
| Treasury stock - 346,168 shares, at cost  | <u>(3,077,025)</u>  | <u>(3,077,025)</u> |
| Total liabilities and stockholders' equity  | <u>\$ 6,718,279</u> | <u>6,980,598</u>   |

**BILOXI MARSH LANDS CORPORATION**

## Statements of Revenues and Expenses

September 30, 2020 and 2019

|  | <b>3 Months Ended</b> |                  | <b>9 Months Ended</b> |                    |
|--|-----------------------|------------------|-----------------------|--------------------|
|  | <b>September 30</b>   |                  | <b>September 30</b>   |                    |
|  | <b>2020</b>           | <b>2019</b>      | <b>2020</b>           | <b>2019</b>        |
| Revenues:  |                       |                  |                       |                    |
| Oil and gas royalties  | \$ 1,557              | 7,165            | \$ 6,512              | \$ 11,619          |
| Total oil and gas revenues                                   | <u>1,557</u>          | <u>7,165</u>     | <u>6,512</u>          | <u>11,619</u>      |
| Other income (loss):   |                       |                  |                       |                    |
| Dividends and interest income                                | 11,233                | 22,596           | 43,041                | 81,451             |
| Gain (loss) on sale of securities                            | 31,519                | 64,736           | (81,196)              | (172,766)          |
| Gain on settlement   | 1,607,716             | -                | 1,761,510             | -                  |
| Fee land income  | 70,392                | 88,786           | 70,392                | 142,422            |
| Loss from membership interest in limited liability companies | <u>(73,188)</u>       | <u>(488,652)</u> | <u>(884,709)</u>      | <u>(1,336,693)</u> |
| Total other income   | <u>1,647,672</u>      | <u>(312,534)</u> | <u>909,038</u>        | <u>(1,285,586)</u> |
| Total revenues and other income                              | <u>1,649,229</u>      | <u>(305,369)</u> | <u>915,550</u>        | <u>(1,273,967)</u> |
| Expenses:  |                       |                  |                       |                    |
| Total expenses   | <u>102,321</u>        | <u>178,577</u>   | <u>394,416</u>        | <u>562,731</u>     |
| Net income before income taxes                               | 1,546,908             | (483,946)        | 521,134               | (1,836,698)        |
| Income tax expense (benefit)                                 | <u>-</u>              | <u>-</u>         | <u>-</u>              | <u>-</u>           |
| Net income   | <u>\$ 1,546,908</u>   | <u>(483,946)</u> | <u>\$ 521,134</u>     | <u>(1,836,698)</u> |
| Net income per share   | \$ 0.62               | \$ (0.19)        | \$ 0.21               | \$ (0.73)          |