



Zapata Corporation Announces Second Quarter Results

August 9, 2006

ROCHESTER, N.Y., Aug 08, 2006 (BUSINESS WIRE) -- Zapata Corporation (NYSE: ZAP) today announced its consolidated financial results for the second quarter ended June 30, 2006.

Zapata reported a consolidated net loss of \$359,000 or (\$.02) per diluted share on consolidated revenues of \$33.3 million for the three months ended June 30, 2006 as compared to consolidated net income of \$464,000 or \$0.02 per diluted share on consolidated revenues of \$27.5 million for the three months ended June 30, 2005. On a consolidated basis, the change from the recognition of net income to net loss resulted primarily from the lack of consolidation of Safety Components International, Inc. (OTCBB: SAFY) during the three months ended June 30, 2006 as compared to the same period of the prior year. Safety contributed approximately \$1.3 million to Zapata's consolidated net income for the three months ended June 30, 2005. Safety's operating results have not been consolidated since the completion of the sale during December 2005.

Zapata reported consolidated net income of \$127,000 or \$0.01 per diluted share on consolidated revenues of \$61.6 million for the six months ended June 30, 2006 as compared to consolidated net income of \$542,000 or \$0.03 per diluted share on consolidated revenues of \$51.3 million for the six months ended June 30, 2005. On a consolidated basis, the decrease in net income resulted primarily from the lack of consolidation of Safety during the six months ended June 30, 2006 as compared to the same period of the prior year. Safety contributed approximately \$3.0 million to Zapata's consolidated net income for the six months ended June 30, 2005.

Omega Protein Corporation (NYSE: OME) contributed approximately \$33.3 million and \$364,000 in income to Zapata's consolidated revenues and net loss, respectively, for the three months ended June 30, 2006 as compared to a \$27.5 million contribution to revenues and a \$383,000 contribution to net income for the comparable period of the prior year. For the six months ended June 30, 2006, Omega contributed approximately \$61.6 million and \$1.8 million to Zapata's consolidated revenues and net income, respectively as compared to \$51.3 million and \$447,000 for the comparable period of the prior year. Omega Protein's second quarter results, as well as the results for the first six months of 2006, reflect increased margins primarily due to higher sales prices received during the current year, partially offset by increased costs of production.

About Zapata:

Zapata is a holding company which currently has one operating company, Omega Protein Corporation, in which the Company had a 58% ownership interest in at June 30, 2006. In addition, Zapata owns 98% of Zap.Com Corporation (OTCBB: ZPCM), which is a public shell company.

On December 8, 2005, Zapata announced that its Board of Directors had authorized management to seek a buyer for its 58% ownership interest in Omega Protein. There can be no assurance, that a satisfactory transaction involving Omega Protein will emerge, the timing of any such transaction, if any, or whether the transaction will ultimately enhance Zapata stockholder value or how that value will be realized.

The Company makes certain reports available free of charge on its website at www.zapatacorp.com as soon as reasonably practicable after this information is electronically filed, or furnished to, the United States Securities and Exchange Commission.

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release which are not historical facts are "forward-looking" statements that involve risks and/or uncertainties as described in Item 1A., "Risk Factors" in the Company's Annual Report on Form 10-K for the period ended December 31, 2005. You are cautioned not to place undue reliance on any forward-looking statements. The Company's actual actions or results may differ materially from those expected or anticipated in the forward-looking statements. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release.

ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Per Share Amounts)

	June 30, 2006	December 31, 2005
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 88,326	\$ 103,373
Accounts receivable, net	27,763	24,170
Inventory	58,920	46,860
Prepaid expenses and other current assets	4,713	2,314
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Total current assets	179,722	176,717
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Other assets, net	23,101	23,652
Property, plant and equipment, net	101,430	93,985

Total assets	\$ 304,253	\$ 294,354

LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 2,386	\$ 2,443
Accounts payable	1,450	3,989
Accrued and other current liabilities	26,539	15,850

Total current liabilities	30,375	22,282

Long-term debt	26,454	27,658
Pension liabilities	11,842	11,810
Other liabilities and deferred taxes	1,885	983

Total liabilities	70,556	62,733

Minority interest	61,692	59,937
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par; 1,600,000 shares authorized; none issued or outstanding	--	--
Preference stock, \$.01 par; 14,400,000 shares authorized; none issued or outstanding	--	--
Common stock, \$0.01 par, 132,000,000 shares authorized; 24,614,536 and 24,581,636 shares issued; and 19,182,456 and 19,149,556 shares outstanding, respectively	246	246
Capital in excess of par value	162,929	162,730
Retained earnings	45,254	45,127
Treasury stock, at cost, 5,432,080 shares	(31,668)	(31,668)
Accumulated other comprehensive loss	(4,756)	(4,751)

Total stockholders' equity	172,005	171,684

Total liabilities and stockholders' equity	\$ 304,253	\$ 294,354
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ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)

	Three Months		Six Months	
	Ended		Ended	
	June 30,		June 30,	
	2006	2005	2006	2005
Revenues	\$33,338	\$27,510	\$61,641	\$51,341
Cost of revenues	28,002	23,693	49,313	44,468

Gross profit	5,336	3,817	12,328	6,873
Operating expense:				
Selling, general and administrative	5,678	4,387	10,533	8,829
Loss resulting from natural disaster	193	--	433	--

Total operating expenses	5,871	4,387	10,966	8,829
Operating (loss) income	(535)	(570)	1,362	(1,956)
Other income (expense):				
Interest income	1,092	388	2,159	701
Interest expense	(528)	(242)	(1,052)	(508)
Other, net	86	247	68	208
	650	393	1,175	401
Income (loss) before income taxes and minority interest	115	(177)	2,537	(1,555)
(Provision) benefit for income taxes	(209)	(28)	(1,082)	403
Minority interest in net income of consolidated subsidiaries	(265)	(276)	(1,328)	(319)
Net (loss) income from continuing operations	(359)	(481)	127	(1,471)
Discontinued operations:				
Income before taxes and minority interest (including loss on disposal)	--	2,639	--	5,716
Provision for income taxes	--	(1,269)	--	(2,857)
Minority interest	--	(425)	--	(846)
Net income from discontinued operations	--	945	--	2,013
Net (loss) income to common stockholders	\$ (359)	\$ 464	\$ 127	\$ 542
Net (loss) income per common share - basic and diluted				
(Loss) income from continuing operations	\$ (0.02)	\$ (0.03)	\$ 0.01	\$ (0.08)
Discontinued operations, net of income taxes and minority interest	--	0.05	--	0.11
(Loss) income per common share - basic and diluted	\$ (0.02)	\$ 0.02	\$ 0.01	\$ 0.03
Weighted average common shares outstanding:				
Basic	19,182	19,135	19,176	19,134
Diluted	19,182	19,345	19,383	19,379

SOURCE: Zapata Corporation

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