



Zapata Reports Second Quarter 2000 Results

August 15, 2000

ROCHESTER, N.Y.--(BUSINESS WIRE)--Aug. 14, 2000--Zapata Corporation (NYSE: ZAP) today reported a net loss of \$410,000 or \$0.02 per share on revenues of \$20.9 million for the three months ended June 30, 2000. This compares with net loss of \$885,000 or \$0.04 per share on revenues of \$18.2 million for the comparable period a year earlier. For the six months ended June 30, 2000, Zapata has a net loss of \$3.1 million or \$0.13 per share compared to a loss of \$1.5 million or \$0.06 per share in the six months ended June 30, 1999. Revenues for the three months ended June 30, 2000 were 15% higher than second quarter 1999 revenues. The increase in revenues was achieved by a 55% increase in sales volumes at Omega Protein. However, the sales increase was offset by a nearly 17% decrease in its selling price for its fish meal during the 2000 quarter as compared to 1999. Omega Protein reported on August 10, 2000 that it projects prices for its fish meal and fish oil to continue to be depressed as the result of a record soybean harvest, a competing product to fish meal and fish oil products. Zapata is a majority stockholder of Omega Protein (NYSE: OME). During the quarter, Zapata shifted \$22.7 million of its cash and cash equivalents into high-yield securities to improve its return on its liquid assets. In addition, Zapata's other majority owned subsidiary Zap.Com(OTC BB: ZPCM) incurred greater costs associated with its operations than in the second quarter of 1999.

Commenting on its holdings in Zap.Com, Avram Glazer, Chairman and Chief Executive Officer of Zapata, said, "Zap.Com has signed several agreements with Web site owners interested in joining the ZapNetwork. We are pleased with the responses they have been receiving and are optimistic about the future of the ZapNetwork."

Zapata Corporation is the largest shareholder of Zap.Com Corporation, an Internet company which seeks to build a branded network of independently owned Web sites. Zapata also owns approximately 61% of the stock of Omega Protein, the nation's largest marine protein company, and approximately 40% of the stock of Viskase (NASDAQ: VCIC), a world leader in food packaging. In addition, Zapata operates the award winning and innovative Internet sites

"Word" (www.word.com) ,"Charged" (www.charged.com),

"SiSSYFIGHT 2000" (www.sissyfight.com), and "Pixeltime" (www.pixeltime.com).

"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995: The statements contained in this press release which are not historical fact are forward-looking statements based upon management's current expectations that are subject to risks, and uncertainties that could cause actual results, events and developments to differ materially from those set forth in or implied by forward looking statements. Factors that could cause actual results, events and developments to differ include, without limitation, those factors listed under the caption "Significant Factors That Could Affect Future Performance And Forward Looking Statements" in the Company's Annual Report on Form 10-K dated March 30, 2000 for the fiscal year ended December 31, 1999 and the ultimate outcome and impact of the patent infringement action discussed herein. Consequently all forward looking statements made herein are qualified by these cautionary statements and there can be no assurance that the actual results, events or developments reference herein will occur or be realized. The Company undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operation results. -0-

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ZAPATA CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET

(in thousands)

ASSETS	December 31, 1999	June 30, 2000
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Current assets:		
Cash and cash equivalents	\$ 72,751	\$ 82,261
Short-term investments	44,370	13,701
Receivables	21,793	13,408
Inventories, net	46,112	47,245
Production payment receivables, current	1,673	-
Prepaid expenses and other current assets	2,187	2,299
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Total current assets	188,886	158,914
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Investments and other assets:		
Long-term investments, available-for-sale	-	20,829

Other assets	19,876	22,366
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	19,876	43,195
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Property and equipment, net	91,052	92,993
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Total assets	\$ 299,814	\$ 295,102
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LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:

Current maturities of long-term debt	\$ 1,146	\$ 1,187
Accounts payable	2,637	2,402
Accrued liabilities and deferred taxes	14,977	16,928
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Total current liabilities	18,760	20,517
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Long-term debt	16,069	15,450
Other liabilities and deferred taxes	8,009	7,257
Minority interest	58,731	57,911
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Total liabilities	101,569	101,135
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Commitments and contingencies

Stockholders' equity:

Common stock, (\$0.01 par), 30,679,028 and 30,667,178 issued and outstanding on June 30, 2000 and December 31, 1999	307	307
Capital in excess of par value	175,155	169,146
Reinvested earnings, from October 1, 1990 quasi-reorganization	65,377	62,294
Treasury stock, at cost, 6,790,100 shares at June 30, 2000 and at December 31, 1999	(31,668)	(31,668)
Deferred consulting expense	(10,329)	(3,241)
Accumulated other comprehensive loss	(597)	(2,871)
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Total stockholders' equity	198,245	193,967
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Total liabilities and stockholders' equity	\$ 299,814	\$ 295,102
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ZAPATA CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS

(in thousands, except per share amounts)

	Three months ended		Six months ended	
	June 30,		June 30,	
	1999	2000	1999	2000
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Revenues	\$ 18,225	\$ 20,873	\$ 40,387	\$ 40,261
Cost of sales	15,779	21,005	32,477	39,495
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	2,446	(132)	7,910	766

Expenses:				
Product development	570	971	1,400	1,494
Selling, general and administrative	4,828	3,966	6,831	8,185
Warrants expense	-	(1,078)	-	1,057
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	5,398	3,859	8,231	10,736
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Operating (loss)	(2,952)	(3,991)	(321)	(9,970)
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Other income (expense):				
Interest income	1,636	2,888	3,527	4,565
Interest expense	(224)	(313)	(453)	(632)
Other income (expense), net	(120)	115	(3,508)	(4)
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	1,292	2,690	(434)	3,929
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Loss before income taxes and minority interest	(1,660)	(1,301)	(755)	(6,041)
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Benefit from income taxes	(564)	(462)	(257)	(2,112)
Minority interest in net (loss) income of consolidated subsidiary	(211)	(429)	998	(846)
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Net loss	\$ (885)	\$ (410)	\$ (1,496)	\$ (3,083)
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Other comprehensive loss	(228)	(1,629)	(228)	(2,274)
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Total comprehensive loss	\$ (1,113)	\$ (2,039)	\$ (1,724)	\$ (5,357)
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Per share data (basic):				
Net (loss) per share (basic)	\$ (0.04)	\$ (0.02)	\$ (0.06)	\$ (0.13)
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	=====	=====	=====	=====
Average common shares outstanding	23,887	23,887	23,887	23,887
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Per share data (diluted):				
Net (loss) income per share (diluted)	\$ (0.04)	\$ (0.02)	\$ (0.06)	\$ (0.13)
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Average common shares and common share equivalents outstanding	23,887	23,887	23,887	23,887
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Investor Relations

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