

As filed with the Securities and Exchange Commission February 22, 1994

Registration No. 33-68034

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

POST-EFFECTIVE AMENDMENT NO. 1 TO
REGISTRATION STATEMENT ON FORM S-1

FILED ON FORM S-3

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

ZAPATA CORPORATION

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

STATE OF DELAWARE
(STATE OR OTHER JURISDICTION OF
INCORPORATION OR ORGANIZATION)

74-1339132
(I.R.S. EMPLOYER
IDENTIFICATION NO.)

ZAPATA CORPORATION
P. O. BOX 4240
HOUSTON, TEXAS 77210-4240
(713) 940-6100
(ADDRESS, INCLUDING ZIP CODE, AND TELEPHONE
NUMBER, INCLUDING AREA CODE, OF REGISTRANT'S
PRINCIPAL EXECUTIVE OFFICES)

THOMAS H. BOWERSOX
ZAPATA CORPORATION
P. O. BOX 4240
HOUSTON, TEXAS 77210-4240
(713) 940-6100
(NAME, ADDRESS, INCLUDING ZIP CODE, AND
TELEPHONE NUMBER, INCLUDING AREA CODE, OF
AGENT FOR SERVICE)

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: From time to time after this Registration Statement has been declared effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. / /

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. /x/

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

ZAPATA CORPORATION

CROSS REFERENCE SHEET

PURSUANT TO ITEM 501(B) OF REGULATION S-K

ITEM NUMBER	ITEM	PROSPECTUS OR REGISTRATION STATEMENT CAPTION OR PAGE
1.	Forepart of the Registration Statement and Outside Front Cover Page of Prospectus.....	Cover Page of Registration Statement; Outside Front Cover Page of Prospectus
2.	Inside Front and Outside Back Cover Pages of Prospectus.....	Inside Front and Outside Back Cover Pages of Prospectus
3.	Summary Information, Risk Factors and Ratio of Earnings to Fixed Charges.....	Risk Factors; Business
4.	Use of Proceeds.....	Use of Proceeds
5.	Determination of Offering Price.....	*
6.	Dilution.....	*
7.	Selling Security Holders.....	Plan of Distribution and Selling Stockholders
8.	Plan of Distribution.....	Outside Front Cover Page of Prospectus; Plan of Distribution and Selling Stockholders
9.	Description of Securities to be Registered.....	Description of Capital Stock
10.	Interest of Named Experts and Counsel.....	Experts; Legal Opinions
11.	Material Changes.....	*
12.	Incorporation of Certain Information by Reference..	Incorporation of Certain Documents by Reference
13.	Disclosure of Commission Position on Indemnification for Securities Act Liabilities....	*

* Item is omitted from the Prospectus because it is not applicable or the answer thereto is in the negative.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This prospectus shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

SUBJECT TO COMPLETION, DATED FEBRUARY 22, 1994

PROSPECTUS

117,476,184 SHARES

ZAPATA CORPORATION

COMMON STOCK

(PAR VALUE \$.25 PER SHARE)

This Prospectus relates to 117,476,184 shares (the "Shares") of common stock, par value \$.25 per share (the "Common Stock"), of Zapata Corporation, a Delaware

corporation ("Zapata" or the "Company"), which may be offered for sale by certain stockholders of Zapata (the "Selling Stockholders"), from time to time. See "Plan of Distribution and Selling Stockholders."

The Selling Stockholders directly, through agents designated from time to time or through dealers or underwriters also to be designated, may sell the Shares from time to time, in or through privately negotiated transactions, in one or more transactions, including block transactions, on the New York Stock Exchange (the "NYSE") or on any stock exchange on which the Shares may be listed in the future pursuant to and in accordance with the applicable rules of such exchanges or otherwise. The selling price of the Shares may be at market prices prevailing at the time of sale, at prices relating to such prevailing market prices or at negotiated prices. To the extent required, the specific Shares to be sold, the names of the Selling Stockholders, the respective purchase prices and public offering prices, the names of any such agent, dealer or underwriter and any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying Prospectus Supplement. See "Plan of Distribution and Selling Stockholders."

Zapata will not receive any proceeds from the offering, but Zapata has agreed to pay substantially all of the expenses of this offering other than commissions and discounts of underwriters, dealers or agents. Zapata has agreed to indemnify certain of the Selling Stockholders against certain civil liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). See "Plan of Distribution and Selling Stockholders."

The Selling Stockholders and any broker-dealers, agents or underwriters that participate with the Selling Stockholders in the distribution of any of the Shares may be deemed to be "underwriters" within the meaning of the Securities Act, and any commissions received by them and any profit on the resale of the Shares purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. See "Plan of Distribution and Selling Stockholders."

SEE "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS TO BE CONSIDERED BY PROSPECTIVE PURCHASERS OF THE SHARES.

The Common Stock, including the Shares, is listed on the NYSE. On February 18, 1994, the closing sales price of the Common Stock as reported on the NYSE (consolidated transactions reporting system) was \$1.25 per share.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE DATE OF THIS PROSPECTUS IS FEBRUARY __, 1994.

NO DEALER, SALESMAN OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS PROSPECTUS AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ZAPATA OR THE SELLING STOCKHOLDERS. NEITHER THE DELIVERY OF THIS PROSPECTUS NOR ANY SALE MADE HEREUNDER SHALL UNDER ANY CIRCUMSTANCES CREATE AN IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF ZAPATA SINCE THE DATE HEREOF. THIS PROSPECTUS IS NOT AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY OF THE SHARES OFFERED HEREBY IN ANY JURISDICTION WHERE SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL.

AVAILABLE INFORMATION

Zapata has filed with the Securities and Exchange Commission (the

"Commission") a post-effective amendment to its Registration Statement on Form S-1 filed on Form S-3 (the "Registration Statement") under the Securities Act with respect to the securities offered hereby. This Prospectus does not contain all the information set forth in the Registration Statement and the exhibits and schedules thereto, to which reference is hereby made. Statements made in this Prospectus as to the contents of any contract, agreement or other document referred to are not necessarily complete; with respect to each such contract, agreement or other document filed as an exhibit to the Registration Statement, reference is made to the exhibit for a more complete description of the matter involved, and each such statement shall be deemed qualified in its entirety by such reference.

Zapata is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information with the Commission. Materials filed with the Commission by Zapata can be inspected and copied at the public reference facilities maintained by the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549; and at the Regional Offices of the Commission at the Northwestern Atrium Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60606-2511; and Seven World Trade Center, New York, New York 10048. Copies of such material can also be obtained at prescribed rates from the Public Reference Section of the Commission at 450 Fifth Street, N.W., Judiciary Plaza, Washington, D.C. 20549. In addition, the Common Stock is listed on the NYSE, and such reports, proxy statements and other information concerning Zapata may be inspected at the offices of the NYSE, 20 Broad Street, New York, New York 10005.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The following documents, which have been filed by the Company with the Commission pursuant to the Exchange Act (File No. 1-4219), are incorporated by reference in this Prospectus and shall be deemed to be a part hereof:

- (1) The Company's Annual Report on Form 10-K for the year ended September 30, 1993;
- (2) The Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 1993; and
- (3) The Company's Current Report on Form 8-K dated January 31, 1994.

All documents subsequently filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act prior to the termination of the offering made by this Prospectus shall be deemed to be incorporated herein by reference and to be a part hereof from the date of filing such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

The Company hereby undertakes to provide without charge to each person to whom a copy of this Prospectus has been delivered, upon written or oral request of any such person, a copy of any or all of the documents referred to above that have been incorporated by reference in this Prospectus (not including exhibits to the documents that are incorporated by reference unless such exhibits are specifically incorporated by reference into such documents). Requests for such copies should be directed in writing or by telephone to Zapata Corporation, P.O. Box 4240, Houston, Texas, Attention: Corporate Secretary (Telephone: (713) 940-6100).

RISK FACTORS

POSSIBLE ADVERSE EFFECT OF SALES BY SELLING STOCKHOLDERS ON THE MARKET FOR AND THE PRICE OF THE COMMON STOCK

The Selling Stockholders may sell up to 117,476,184 shares of Common Stock pursuant to this Prospectus. The Shares represent 74.07% of the shares of Common Stock outstanding on the date of this Prospectus. The Company will not receive any proceeds from such sales by the Selling Stockholders.

Certain of the Selling Stockholders may be required by bank regulatory and supervisory authorities to sell or otherwise dispose of certain of the Shares within particular periods of time. Sales of certain of the Shares may be limited for a period of time as a consequence of certain provisions of the Exchange Act. Sales of or offers to sell substantial blocks of Common Stock currently held by certain of the Selling Stockholders, or the perception by investors, investment professionals or securities analysts of the possibility that such sales may occur, could adversely affect the price of and market for the Common Stock. Zapata is obligated to maintain the effectiveness of the Registration Statement of which this Prospectus forms a part for varying periods of time, pursuant to separate arrangements with certain groups among the Selling Stockholders. In addition to their resale rights implemented by this Prospectus, certain of the Selling Stockholders have subsequent registration rights with respect to the resale of their Shares following the period during which Zapata is required to maintain the effectiveness of the Registration Statement. See "Plan of Distribution and Selling Stockholders."

NATURAL GAS SERVICES OPERATIONS - COMPRESSION; GATHERING, PROCESSING AND MARKETING

Market Conditions. The market for the Company's natural gas services operations is directly related to supply and demand for natural gas. A material sustained decline in the price of natural gas could result in the cessation of production in certain areas, causing a reduced need for the Company's gas compression, gathering, processing and marketing services.

Governmental and Environmental Regulations. The Company and its customers are required to comply with federal and state laws and regulations relating to environmental and worker safety matters. The Company has expended managerial and financial resources and technology to comply with such applicable laws in its operations and anticipates that it will continue to do so in the future. Although the Company believes that it is in substantial compliance with such laws, there can be no assurance that present and future regulation of the oil and gas industry will not adversely affect the natural gas services operations of the Company.

Competition. The natural gas services markets are highly fragmented and the Company faces competition from several sources. Certain of the Company's competitors have greater financial and other resources than the Company. Also, oil and gas producers and pipelines have the option of providing their own such services instead of outsourcing to the Company.

Other. The Company's natural gas services operations are subject to many of the same operating hazards and government regulation as the Company's oil and gas operations. In addition, activities relating to the marketing and trading of natural gas liquids may expose the Company to financial risk through unanticipated price changes.

See generally, "Business-Natural Gas Services--Compression" and "-Natural Gas Services--Gathering Processing and Marketing."

OIL AND GAS PRODUCTION OPERATIONS

Production Difficulties. The Company's Wisdom gas field, which is the Company's most significant oil and gas property and which provided approximately 75% of the Company's U.S. gas production during fiscal 1993 and represented approximately 83% of the Company's remaining proved U.S. gas reserves on September 30, 1993, has recently experienced significant production

difficulties. In April 1993 one of the wells in the Wisdom gas field was shut-in when it started producing sand. Prior to the failure, this well was capable of producing 6.5 MMcf per day. After

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some minor repairs, the well was temporarily returned to production at a significantly reduced level. Indications are that the sand production was due to a mechanical failure in the well and that a workover/recompletion of the well will be required before production can be restored. Efforts to restore production from this well will be influenced by the evaluation process regarding the well failure discussed below.

In early September 1993 an additional well in the Wisdom gas field ceased production as a result of an influx of sand and water. Immediately prior to the time the well ceased producing, this well was capable of producing approximately 5.5 MMcf per day. After some minor repairs, the well was temporarily returned to production at a significantly reduced level. While the ultimate cause of the influx of sand and water is not known at this time, indications suggest that a mechanical failure was the cause and that the production should be able to be restored. The Company currently estimates that a workover/recompletion of this well will cost approximately \$2.5 million. Efforts to restore production commenced in February 1994 and may take up to two months to complete. The workover/recompletion of the well had been delayed because of the lack of workover rig availability. Based upon the results of the initial efforts, the Company will consider whether to pursue the systematic workover/recompletion of additional wells in the Wisdom gas field. The Company currently estimates that each additional workover/recompletion will cost approximately \$2.5 million.

Until such time that repairs to the above wells or certain other non-producing wells in the Wisdom gas field can be effected and production restored, revenues from domestic oil and gas operations will be based on significantly lower production quantities than in prior years. In December 1993, the Wisdom gas field was producing a total of approximately 3.0 MMcf per day. Zapata's domestic natural gas production for the first three months of fiscal 1994 was one-third of the fiscal 1993 period's level of production due to the production difficulties at the Wisdom gas field. No assurances can be given that these well failures will be able to be repaired or that the cause or causes of the failures will not also affect additional wells in the Company's Wisdom gas field. See "Business-Oil and Gas Operations--Oil and Gas Reserves" and "--Production and Sales" for information on the Company's total oil and natural gas reserves and its production and sales.

Reserves. Unless the Company acquires additional properties containing proved reserves or conducts successful exploration and development activities, or both, the domestic proved reserves of the Company will decline as reserves are produced. Other than the \$12.2 million oil and gas workover and recompletion program of the Company's Wisdom gas field in 1992, the Company has not participated in any significant new exploration or development projects in the United States or acquired any additional significant properties since 1988.

Market Conditions. The profitability of the Company's oil and gas production operations depends upon certain factors which are beyond the Company's control, such as natural gas and crude oil prices that are subject to substantial fluctuations as a result of variations in supply and demand, seasonality and other factors. The Company's principal oil and gas operation is the production of natural gas. Because virtually all of the gas produced from the Company's operations is sold on the spot market, any changes in gas prices affect the Company's revenues and the results of its operations. During February 1992, the price of natural gas on the spot market declined to its lowest level in the last five years; since such time the price has improved and remained at higher levels. The Company is unable to predict future gas prices. In response to low gas price levels, the Company has from time to time curtailed its gas production.

Market, economic and regulatory factors may in the future materially affect

the Company's sales of its gas production. The Company faces significant competition in its oil and gas operations.

Foreign Operations. The Company's Bolivian operations, conducted through a joint venture, are subject to special risks inherent in doing business outside the United States, including risks of war, civil disturbances and governmental activities, which may limit or disrupt markets, restrict the movement of funds or result in the deprivation of contract rights or the taking of property without fair compensation.

Other. The Company's oil and gas operations are subject to substantial government regulation and all of the risks normally incident to the exploration for and production of oil and gas.

See generally, "Business-Oil and Gas Operations."

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MARINE PROTEIN OPERATIONS

The Company produces fish meal and fish oil, the prices of which are influenced by the availability of foreign products and the prices for soybean meal and vegetable fats and oils. These prices tend to fluctuate to a significant extent over the course of a year and from year to year. The annual fish catch in the Company's marine protein division can vary significantly from year to year depending on weather conditions and other factors outside the Company's control. Additionally, the marine protein operations are affected by other factors including competition, government regulation and the occurrence of various operating hazards. These factors significantly influence the operating cash flow of the marine protein operations. See "Business-Marine Protein Operations."

INVESTMENTS IN NEW BUSINESS OPPORTUNITIES

The Company from time to time evaluates possible investment opportunities. The Company is currently focusing on the natural gas service industries as the primary area in which such investments might be made, although such focus is subject to change. The Company's available resources for possible investments are limited and affect the opportunities available to the Company, and no assurances can be given that the Company will be successful in making suitable investments.

SELLING STOCKHOLDERS' POWER TO CONTROL COMPANY

As of the date hereof, the Selling Stockholders own, in the aggregate, approximately 74.07% of the outstanding Common Stock. The Selling Stockholders therefore could have, in the aggregate, voting control of the Company. The disposition of some or all of the Common Stock by some or all of the Selling Stockholders, including dispositions pursuant to this Prospectus, could result in a change in control of the Company. Two of the selling stockholders are also directors of the Company. A third director of the Company is also the chairman and chief executive officer of another selling stockholder, Norex America, Inc. ("Norex America"). See "Plan of Distribution and Selling Stockholders."

POSSIBLE FUTURE ISSUANCES OF STOCK

Zapata has unreserved and available for issuance approximately 1,950,000 authorized shares of preferred stock, without par value ("Preferred Stock"), and 17,850,000 shares of preference stock, par value \$1.00 per share ("Preference Stock"). The issuance of Preferred Stock, Preference Stock or Common Stock, or the issuance of rights to purchase such shares, could have the effect of delaying, deferring or preventing a change in control of the Company. Shares of Preferred Stock or Preference Stock, depending on the series, may be convertible into shares of Common Stock. If all 2,637 shares of \$2 Noncumulative Convertible Preference Stock ("\$2 Preference Stock"), which is the only outstanding series of Preferred Stock or Preference Stock convertible into Common Stock, were so converted, Zapata would be required to issue an additional

27,741 shares of Common Stock. See "Description of Capital Stock."

CERTAIN PROVISIONS RELATING TO CHANGES OF CONTROL

Zapata's Restated Certificate of Incorporation, as amended (the "Certificate of Incorporation"), and By-Laws, as amended and restated (the "By-Laws"), contain provisions which also may have the effect of delaying, deferring or preventing a change in control of Zapata. The Certificate of Incorporation divides the Board of Directors into three classes. Each class has a three-year term and only one class is elected by the stockholders each year. The Certificate of Incorporation also requires an 80% approval vote by stockholders for certain corporate actions involving Zapata and any entity which owns at least 5% of Zapata's voting stock. Furthermore, Zapata's By-laws fix the number of directors on the Board of Directors at eight. The By-Laws may be amended only by the affirmative vote of the holders of at least 80% of Zapata's outstanding voting stock or by the affirmative vote of seven of the eight members of the Board of Directors.

The foregoing provisions respecting a 5% stockholder, the classification and number of directors and voting requirements for an amendment to the By-Laws may not be amended without the affirmative vote of the holders of 80% of the outstanding voting stock of Zapata. These provisions may deter any potential offers or other efforts to obtain

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control of Zapata that are not approved by the Board of Directors, could thereby deprive the stockholders of opportunities to realize a premium on their stock and could make the removal of management more difficult.

PRIOR RIGHTS OF OTHER CLASSES OF CAPITAL STOCK

The rights of holders of the Common Stock to receive dividends or other payments with respect thereto are subject to the prior and superior rights of holders of Zapata's Preferred Stock and Preference Stock, then outstanding. As of the date of this Prospectus, Zapata had outstanding 44,943 shares of Preferred Stock and 2,637 shares of Preference Stock.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of Zapata, holders of Preferred Stock are entitled to receive the liquidation price established for such stock, plus an amount equal to any dividends accrued and unpaid to the payment date, before any distribution is made to the holders of Preference Stock, Common Stock or any other class of stock or series thereof ranking junior to the outstanding Preferred Stock with respect to the payment of dividends or distribution of assets. In the event of voluntary or involuntary liquidation, dissolution or winding up of Zapata, the holders of Zapata's \$6 Cumulative Preferred Stock ("\$6 Preferred Stock") are entitled to receive the liquidation price of \$100 per share, plus an amount equal to any dividends accrued and unpaid to the payment date, before any distribution is made to the holders of Preference Stock, Common Stock or any other class of stock or series thereof ranking junior to the outstanding Preferred Stock with respect to the payment of dividends or distribution of assets. The aggregate liquidation preference of all currently outstanding shares of Preferred Stock is \$4,494,300. The holders of all series of Preferred Stock are entitled to share ratably, in accordance with the respective amounts payable thereon, in any such distribution which is not sufficient to pay in full the aggregate of the amounts payable thereon.

In the event of any voluntary liquidation, dissolution or winding up of Zapata, holders of Preference Stock are entitled to receive such rights as may be fixed for the respective series of Preference Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of Zapata, after payment of the debts and other liabilities of Zapata and any preferential amounts due to holders of Preferred Stock, the holders of Zapata's \$2 Preference Stock are entitled to receive a liquidation price of \$30 per share before any distribution may be made to the holders of Common Stock or any other class of stock or series thereof ranking junior to the outstanding Preference Stock with

respect to the distribution of assets. The aggregate liquidation preference of all currently outstanding shares of Preference Stock is \$79,110. The holders of all series of outstanding Preference Stock are entitled to share ratably, in accordance with the respective amounts payable thereon, in any such distribution which is not sufficient to pay in full the aggregate of the amounts payable thereon.

The Board of Directors has the authority to provide for the issuance of additional shares of Preferred Stock or Preference Stock in one or more series and to fix the designations, preferences, powers and relative participating, optional or other rights and restrictions thereof. See "Description of Capital Stock."

CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE 1990 RESTRUCTURING

Zapata sold its 12 offshore drilling rigs and related assets (the "Rig Sale") on October 31, 1990 (the Rig Sale, together with the comprehensive financial restructuring concluded in January 1991 that included a restructuring of Zapata's senior debt and a tender offer by the Company through which two-thirds of its then outstanding subordinated debentures were repurchased, is referred to herein as the "1990 Restructuring") to Arethusa (Off-Shore) Limited ("Arethusa") for \$298 million in cash. Federal income tax consequences of the 1990 Restructuring were recognized by the Company in fiscal year 1991. The Company realized substantial amounts of income from both taxable gain as a result of the Rig Sale and cancellation of indebtedness ("COI") income as a result of the Company restructuring its senior debt and consummating tender offers for certain of its outstanding debentures during fiscal 1991. The Company is entitled to reduce the amount of its fiscal year 1991 COI income arising from the senior debt restructuring and the tender offers to the extent that the Company was insolvent for purposes of the Internal Revenue Code of 1986, as amended (the "Code"), immediately before each such transaction (the "Insolvency Rule"). The Company believes that it was insolvent for such purposes by substantial amounts on the consummation dates of both the senior debt refinancing and the tender offers. Furthermore, the Company offset fully all fiscal 1991 income remaining from such transactions

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after application of the Insolvency Rule, as well as the gain from the Rig Sale, with net operating loss carryforwards and certain other tax attribute carryforwards from prior years (collectively, "NOLs"). The Company's federal tax return for fiscal 1991 reflected an alternative minimum tax liability of approximately \$5 million.

While the Company believes it was insolvent for purposes of the Code immediately before the 1990 Restructuring and the tender offers, the existence and amount of such insolvency depend upon certain factual matters which may be subject to dispute and the resolution of which cannot be predicted with certainty. In addition, the Internal Revenue Service could contend that the senior debt restructuring should result in bond issuance premium, rather than COI income, all or a substantial portion of which the Company would have to include in income over the life of the senior notes issued in connection with the 1990 Restructuring. While the Company believes that the only federal income tax liability it incurred as a result of the 1990 Restructuring was a relatively small alternative minimum tax liability, if any disputes with respect to certain factual matters which relate to the Company's insolvency or its COI income are resolved against the Company, the Company could incur a substantial tax liability. Whether the circumstances giving rise to such a substantial tax liability will occur, and when any such tax liability will be finally determined, are outside of the Company's control and cannot be predicted.

BUSINESS

GENERAL

Zapata Corporation is a Delaware corporation organized in 1954. Zapata's principal executive offices are located at One Riverway, Houston, Texas 77056,

and its telephone number is (713) 940-6100.

In 1993, Zapata began to redirect its operations into the natural gas services market. The Company has implemented the first phase of its strategic plan and is now engaged in the business of natural gas compression as well as gathering, processing and marketing. Through its compression operation, the Company rents, fabricates, sells, installs and services natural gas compression packages. Through its gathering, processing and marketing operations, the Company gathers and processes natural gas and its constituent products, and markets and trades in natural gas liquids. In addition to its newly-acquired natural gas services operations, the Company continues its oil and gas production operations and its marine protein operations.

In November 1993, Zapata acquired the natural gas compression businesses of Energy Industries, Inc. and certain other affiliated companies (collectively "Energy Industries"). Energy Industries is engaged in the business of renting, fabricating, selling, installing and servicing natural gas compressor packages. Energy Industries operates the fifth largest rental fleet of natural gas compressor packages in the United States. The Energy Industries fleet of approximately 700 compressor packages is located primarily in Texas, Louisiana, Arkansas, Oklahoma and New Mexico, as well as offshore in the Gulf of Mexico.

Early in fiscal 1993, Zapata acquired the common stock of Cimarron Gas Holding Company ("Cimarron"). Cimarron was engaged in the business of marketing natural gas liquids, as well as gathering, treating and processing natural gas and its constituent products. Cimarron was purchased to serve as the vehicle for the Company's expansion into the gathering and processing segments of the natural gas services markets. Since being acquired, Cimarron has purchased additional gathering and processing assets and expanded its operations through the acquisition of Stellar Energy Corporation and three affiliated companies (collectively "Stellar") in September 1993. During fiscal 1993 the Company generated approximately 70% of its revenues from its gathering, processing and marketing operations. Revenues from these natural gas services operations include natural gas liquids trading activities which typically generate high revenues, high expenses and low margins.

The Company's oil and gas exploration and production operations, conducted through Zapata Exploration Company, a wholly owned subsidiary ("Zapex"), consist primarily of natural gas production in the Gulf of Mexico and Bolivia. The Company's marine protein operations consist of menhaden fishing and the processing thereof into fish meal and fish oil in the United States, and are conducted through Zapata Haynie Corporation, another wholly owned subsidiary. During fiscal 1993, the Company generated approximately 8% of revenues from its oil and gas operations and approximately 22% of revenues from its marine protein operations.

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In June 1993, Zapata completed the sale of 3.5 million shares of its Tidewater Inc. ("Tidewater") common stock for a net price of \$21.25 per share or \$73.5 million. Zapata used the proceeds in November 1993 to fund the cash portion of the purchase price of the acquisition of Energy Industries, Inc. ("Energy Industries").

In November 1993, Zapata sold an additional 3.75 million shares of its Tidewater common stock for a net price of \$20.75 per share or \$77.8 million. The proceeds of such sale were used to reduce the Company's indebtedness and provide the capital necessary to expand the Company's natural gas services operations. The Company now owns approximately 1.0 million shares of Tidewater common stock. Tidewater is an international energy services company with two principal lines of business: offshore marine services and compression services.

The Company has completed its exit from the offshore drilling business in which it historically had a significant presence. Zapata sold its offshore drilling rig fleet on October 31, 1990 to Arethusa for total consideration of \$298.0 million. In conjunction with the Rig Sale, Zapata was required to make a

\$17.5 million investment in Arethusa (net proceeds received on October 31, 1990 were \$280.5 million). During fiscal 1993, Zapata disposed of its entire investment in Arethusa for \$11.8 million.

In May 1993, Zapata completed a refinancing of its senior debt which enabled the Company to move forward with its strategic plan. Zapata raised a total of \$111.4 million from the issuance of debt and equity pursuant to a Second Amended and Restated Master Restructuring Agreement dated as of April 16, 1993, as amended (as so amended, the "Norex Agreement"), between Zapata and Norex Drilling Ltd. ("Norex Drilling"), a wholly owned subsidiary of Norex America (Norex America, collectively with Norex Drilling and other affiliates, is referred to herein as "Norex"). The Norex Agreement enabled the Company to refinance its then outstanding senior debt and substantially reduced the amount of required debt service payments for fiscal years 1994 and 1995.

In December 1993, \$73.7 million of the proceeds from the November sale of Tidewater common stock was used to prepay \$68.5 million of the 13% senior indebtedness to Norex, along with accrued interest and a \$3.5 million prepayment premium. In connection with this prepayment to Norex, the Norex Agreement was amended to remove or lessen various restrictions on the Company. The Company is no longer required to maintain any financial ratios and is no longer subject to limitations on its ability to incur additional indebtedness or contingent obligations, to make capital expenditures, to pay dividends or to enter into merger or consolidation transactions, to liquidate, wind up or dissolve or to make investments or loans. In addition, the Company is no longer subject to limitations on the creation of liens or the sale of assets, except in connection with Energy Industries and certain related subsidiaries. The Company will remain subject to a covenant in the Norex Agreement which requires it to maintain a consolidated tangible net worth of at least \$100 million.

NATURAL GAS SERVICES--COMPRESSION

In November 1993, Zapata purchased the natural gas compression businesses of Energy Industries and certain other affiliated companies as well as certain real estate used by the business. Energy Industries is engaged in the business of renting, fabricating, selling, installing and servicing natural gas compressor packages. Energy Industries operates the fifth largest rental fleet of natural gas compressor packages in the United States. The Energy Industries fleet of approximately 700 compressor packages is located primarily in Texas, Louisiana, Arkansas, Oklahoma and New Mexico, as well as offshore in the Gulf of Mexico. Total consideration paid for the purchase of Energy Industries and for a related noncompetition agreement (collectively, the "Energy Industries Acquisition") was \$90.9 million. The purchase price consisted of \$75.2 million and 13.5 million shares of Zapata common stock (the "Common Stock") valued at \$1.16 per share, which approximated the average trading price prior to closing of the acquisition.

Operations. A natural gas compressor package consists of a compressor, a natural gas engine or electric motor, a heat exchanger, a control panel and assorted piping and tubing. Natural gas compression is used in the production, processing and delivery of natural gas. Energy Industries primarily supplies natural gas compressor packages in natural gas production and processing applications. In natural gas production applications, natural gas compression is used to increase the flow rate of gas wells with low reservoir pressures. In natural gas processing applications, natural gas compression is used in the process of separating the various hydrocarbon components of the wellhead natural gas stream. In interstate natural gas pipeline applications, natural gas compression is used to increase the pressure of natural gas

from reservoir levels to interstate pipeline standards. Additionally, Energy Industries manufactures heat exchangers used in fabricating natural gas compressor packages and other industrial applications.

Energy Industries fabricates natural gas compressor packages at its Corpus Christi fabrication facility from components which are acquired from various

suppliers at market prices. Energy Industries maintains an inventory of compressor and engine components at its Corpus Christi facility to support the fabrication and repair of natural gas compressor packages.

Including its Corpus Christi, Texas location, Energy Industries maintains twelve branch offices in Texas, Louisiana, Oklahoma, Arkansas and New Mexico. Branch office personnel negotiate natural gas compressor package rentals and sales, perform maintenance services for Energy Industries' fleet of rental compressors and other natural gas compressor packages on a contract basis and recondition Energy Industries' rental fleet packages when rental contracts expire. Energy Industries also has facilities for fabricating natural gas compressor packages at its branches in Midland and Houston, Texas and Lafayette, Louisiana if market conditions require.

Natural Gas Compressor Package Rentals. Energy Industries maintains a fleet of approximately 700 natural gas compressor packages of various sizes for rental to natural gas producers and processors. Energy Industries rents natural gas compressor packages under contracts which require monthly payments based on a fixed fee or on the volume of gas compressed. The initial fixed term of a natural gas compressor package rental is generally between three and 36 months and thereafter continues on a month-to-month basis. It is typical for a customer to continue to rent a package for a period substantially longer than the initial term of the contract. Contract pricing, which is based on prevailing market conditions, generally contains provisions for periodic rate adjustments to reflect market changes.

Natural gas compressor package rental utilization is affected primarily by the number and age of producing oil and gas wells, the volume of natural gas consumed and natural gas prices. Average rental rates for natural gas compressor packages are determined primarily by the demand for packages and secondarily by the size and horsepower of a natural gas compressor package.

Natural Gas Compressor Package Sales. In addition to operating a fleet of natural gas compressor packages for rental purposes, Energy Industries designs, fabricates and sells natural gas compressor packages to customer specifications. Energy Industries sells compressor packages to natural gas producers, gatherers and transmission companies which expect the long life of their associated reserves or pipeline to justify the capital cost of acquiring, rather than renting, a natural gas compressor package. Most of Energy Industries' natural gas compressor package sales are for larger, high horsepower packages.

Because of the relatively high capital costs associated with these units, Energy Industries provides a capital lease financing option to its customers. Under the terms of a typical capital lease, a purchaser will lease the natural gas compressor package from Energy Industries for a period of between three and four years at monthly lease rates. At the termination of the lease, the lessee has the option to purchase the natural gas compressor package or return the natural gas compressor package to Energy Industries.

Maintenance and Repair Services. Energy Industries provides on-site maintenance services to its rental and sales customers and to other users of natural gas compressor packages. Maintenance services provided by Energy Industries include regular monitoring of compressor package operations and performance of a standardized, routine maintenance program to equipment in the field. Energy Industries sells compressor parts in connection with maintenance service operations. Each branch location and each field technician maintains a small inventory of commonly used natural gas compressor package parts. Routine repairs to natural gas compressor packages covered under maintenance contracts will be made from this inventory.

Natural Gas Compression Markets. Energy Industries conducts the majority of its operations in established natural gas producing regions of the United States, located in Texas, Louisiana, Arkansas, Oklahoma, New Mexico and offshore in the Gulf of Mexico. Its customers are natural gas companies and pipelines which are involved in the production, processing and transmission of natural gas.

Approximately 80% of the demand for natural gas compression (on a horsepower basis) is met through the use of natural gas compressor packages owned by the companies which use them. Energy Industries competes with other fabricators of natural gas compressors for sales in this market. The demand for newly constructed natural gas compressor packages is a function of growth in the consumption of natural gas and the age of producing wells. Natural gas compression is required to maintain production rates and to maximize recoverable reserves as natural gas reservoirs age and field pressure declines.

The remaining 20% of demand for natural gas compression is met through rental of natural gas compressor packages. In addition to well age and natural gas consumption, a structural shift in U.S. oil and gas operations recently affected demand for natural gas compression package rentals. Major oil companies have directed their focus toward international operations and away from domestic natural gas reserves. Accordingly, these companies are either selling their domestic reserves or minimizing staff in domestic operations. As a result, demand for rental packages of natural gas compressors is expected to increase as buyers of natural gas reserves or reduced staffs are less likely to own and operate natural gas compressor packages and more likely to rent natural gas compressor packages to meet their natural gas compression needs.

International Operations. While most of Energy Industries' operations are domestic, Energy Industries sells natural gas compressor packages and parts in Canada through ENSERV, Inc. ("Enserv") and outside the U.S. and Canada through Atlas Copco Airpower, N.V. ("Atlas Copco").

Energy Industries has entered into an agreement whereby it is an exclusive supplier of gas compressor packages and parts to Enserv in Canada. This agreement runs through 2002 and is subject to automatic annual renewal thereafter. Additionally, Energy Industries has entered into a marketing agreement with Atlas Copco, headquartered in Stockholm, Sweden, for sales outside North America. As compensation for use of its worldwide marketing and distribution network, Atlas Copco receives a commission on all such international sales of Energy Industries' equipment. This agreement runs through 1998 and also is subject to automatic annual renewal unless notice is given of a party's desire to terminate the relationship.

Competition. The principal competitive factors in natural gas compression markets are price, service, availability and delivery time. Energy Industries operates in a highly competitive environment and competes with a large number of companies, some of which are larger and have greater resources than Energy Industries.

Facilities and Real Estate. Energy Industries owns the facilities and related real estate in Harris, Midland and Nueces Counties, Texas, Oklahoma County, Oklahoma and Lafayette Parish, Louisiana. The main fabrication facility is in Nueces County, Texas and the other properties are currently being used for branch offices. Other branch facilities are leased from third parties.

NATURAL GAS SERVICES--GATHERING, PROCESSING AND MARKETING

This segment of the Company's natural gas services operations involves two major categories of business activities: the gathering and processing of natural gas and the marketing of its constituent products. In fiscal 1993, the Company purchased all of the stock of Cimarron for \$3.8 million consisting of \$2.5 million and 2.2 million shares of Common Stock. For purposes of recording the acquisition, the stock consideration was valued at \$1.3 million.

In September 1993, Cimarron acquired the interests of Stellar, a group of companies engaged in natural gas gathering and processing, for an aggregate purchase price of \$16.2 million. The purchase price included \$6.1 million in cash, the redemption of \$3.7 million of notes payable to former Stellar shareholders and the assumption of \$6.4 million of indebtedness of Stellar. The purchase price is subject to adjustment upward or downward based on the net working capital of Stellar on August 31, 1993. Any shortfall in the net working capital amount will be paid to Cimarron by the shareholders of Stellar and any

excess will be paid to such shareholders by Cimarron.

Gathering and Processing. Through the acquisition of Stellar, Cimarron owns and operates approximately 350 miles of natural gas gathering systems in West Texas and Oklahoma and a gas processing plant in Sutton County, Texas. The systems gather approximately 45 MMcf (million cubic feet) of natural gas per day and the plant is capable of

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processing 17 MMcf of natural gas per day. A project to expand the Sutton Plant's capacity to 25 MMcf of natural gas per day is expected to be completed in March 1994.

Cimarron's other gathering and processing activities consist of ownership interests in two natural gas gathering systems, one in Smith County, Texas, and one in Texas and Beaver Counties, Oklahoma, and ownership interests in related gas processing plants. The gathering system in Smith County includes approximately eight miles of eight-inch gathering lines with capacity of about 30 MMcf per day. Five wells owned by others are currently connected to the system. The related skid-mounted cryogenic gas processing plant, which began operations in August 1992, has a throughput capacity of approximately 23 MMcf per day. The gathering system in Oklahoma includes approximately 170 miles of four- to ten-inch gathering lines with capacity of about 25 MMcf per day. That system is connected to 54 wells owned by third parties. The related turbo expander plant, with a throughput capacity of approximately 14 MMcf per day, began operations in 1979.

In June 1993, Cimarron began acquisition of right-of-ways and planning for the construction of a 27.5 mile low-pressure gas gathering system in northern Caddo and southern Blaine Counties, Oklahoma. This natural gas gathering system was completed in December 1993 and transports gas volumes of approximately 8.5 MMcf of natural gas per day. Construction costs were approximately \$2.6 million.

Marketing. Cimarron provides marketing services to natural gas liquids processing plant owners and operators. The services include transportation, fractionation, distribution, accounting, price forecasting and sales of natural gas liquids for the account of such owners and operators. Cimarron also actively markets natural gas liquids for its own account, with volumes of approximately 27,000 barrels per day of natural gas liquids in the Midwest and Gulf Coast markets.

Successful results from Cimarron's marketing activities are dependent upon the ability of Cimarron's marketers to perform an intermediary service for sellers and buyers of natural gas liquids without exposing the Company to undue financial risk through unanticipated price changes. Other marketing services are carried out on a contract basis, with little financial risk to the Company.

In addition, Cimarron maintains a fleet of approximately 131 leased and three owned railcars which transport feedstocks (butane, isobutane, gasoline, MTBE and various aromatic mixtures) to refineries and petrochemical plants, and Cimarron supplies wholesale propane in truckload quantities to propane retailers and wholesalers.

Competition. Cimarron's Smith County gathering system and processing plant, which are operated by Cimarron's joint venture partner, face competition for new well additions and additional gas processing from one nearby competing system. However, the Company believes that Cimarron's processing plant has superior liquid extraction capabilities. The gathering system and processing plant in Oklahoma, which are operated by Cimarron, face competition for new well additions and additional gas processing from several nearby competing systems. However, the Company believes that Cimarron's processing plant has a competitive advantage resulting from its better location.

Cimarron's marketing activities face significant competition. Cimarron's

competitors in its marketing efforts include other oil and gas production companies, major interstate pipelines and their marketing affiliates, and national and local gas gatherers, brokers, marketers and distributors of varying sizes, financial resources and experience. Certain competitors, such as major oil and gas production companies, have financial and other resources substantially in excess of those available to Cimarron. Cimarron's marketing activities are also affected by the actions of governmental regulatory authorities such as the Federal Energy Regulatory Commission ("FERC"). Cimarron itself is not, however, directly subject to regulation by the FERC. It is impossible to predict how future regulatory actions will impact Cimarron's marketing activities.

OIL AND GAS OPERATIONS

The Company's principal oil and gas exploration and production activity is the production of natural gas. The Company conducts oil and gas operations in the United States and in Bolivia. Since commencing oil and gas exploration and production operations in 1972, the Company from time to time has actively explored for oil and gas in various areas

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throughout the world, participating in 252 gross wells including 135 gross wildcats and 117 gross delineation and development wells. Forty-one of the gross wildcats and 101 of the gross delineation and development wells indicated hydrocarbons in sufficient quantities to justify further evaluation. In its oil and gas operations, the Company generally participated with others in acquiring acreage, gathering and evaluating geophysical, geologic, stratigraphic and engineering data, drilling exploratory wells and developing and bringing into production any acreage successfully explored.

The Company's major development projects were completed by the end of fiscal 1988. Since that time, the Company's principal efforts in the United States have involved participation in the development of some existing gas properties and the production and sale of gas from producing properties. All of the Company's domestic producing properties are located in federal waters offshore Texas and Louisiana. Unless the Company acquires additional properties containing proved reserves or conducts successful exploration and development activities, or both, the proved reserves of the Company will decline as reserves are produced. Other than the \$12.2 million oil and gas workover and recompletion program of the Company's Wisdom gas field completed in 1992, the Company has not participated in any significant new domestic exploration or development projects or acquired any additional significant properties since 1988. However, since September 30, 1993, the Company has participated in drilling an exploratory well in its Bolivian operation which has now achieved total depth. Testing and completion operations are currently underway.

The Company's oil and gas operations are subject to all of the risks and hazards typically associated with the exploration for, and production of, oil and gas and the additional risks of offshore operations, including blowouts, cratering, oil spills and fires, each of which could result in damage to or destruction of oil and gas wells, production facilities or other property or the environment or injury to persons. Although the Company's maintains customary insurance coverage, it is not fully insured against such risks, either because such insurance is not available or because of high premium costs. In addition, certain of the Company's investments in oil and gas properties are those of a minority interest owner. Accordingly, others who hold interest in such properties may determine the details of any exploration and development drilling program.

Oil and Gas Reserves. The following table sets forth information as to the Company's proved and proved developed reserves of oil and natural gas as of September 30, 1993, 1992 and 1991:

	UNITED STATES		BOLIVIA	
	GAS (MMCF)	LIQUIDS (MBBL)	GAS (MMCF)	LIQUIDS (MBBL)
TOTAL PROVED RESERVES AS OF:				
September 30, 1993.....	40,735	360.4	22,534	721.9
September 30, 1992.....	48,467	448.6	21,210	665.2
September 30, 1991.....	61,833	570.0	23,720	743.0
TOTAL PROVED DEVELOPED RESERVES AS OF:				
September 30, 1993.....	28,181	200.9	22,534	721.9
September 30, 1992.....	40,964	297.6	21,210	665.2
September 30, 1991.....	53,489	413.7	23,720	743.0

As used herein, the term "Mcf" means thousand cubic feet, the term "MMcf" means million cubic feet, the term "Bbl" means barrel and the term "MBbl" means thousand barrels. Liquids include crude oil, condensate and natural gas liquids.

The reserve estimates presented herein were prepared primarily by Huddleston & Co., Inc. ("Huddleston"), independent petroleum reserve engineers. Since September 30, 1993, no major favorable or adverse event has occurred which the Company's believes significantly affects or changes estimated reserve quantities as of that date. See, however, "Risk Factors-Oil and Gas Production Operations and " --Significant Property" below. Zapex is not a party to any contracts which include an obligation to provide a fixed and determinable quantity of oil and gas in the future. No estimates of the Company's proved net oil or gas reserves have been filed with or included in reports to any federal authority or agency other than the Securities and Exchange Commission since October 1, 1992.

There are numerous uncertainties inherent in estimating quantities of proved reserves, including many factors beyond the control of the producer. The reserve data set forth herein represent only estimates. Reserve engineering is a subjective process of estimating underground accumulations of crude oil and natural gas that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data and of engineering and geological interpretation and judgment. As a result, estimates of different engineers often vary. In addition, results of drilling, testing and production subsequent to the date of an estimate may justify revision of such estimate. Accordingly, reserve estimates are often different from the quantities of crude oil and natural gas that are ultimately recovered. The meaningfulness of such estimates is highly dependent upon the accuracy of the assumptions upon which they were based.

Significant Property. At September 30, 1993, the Company owned interests in six separate producing properties, all of which were located in federal waters in the Gulf of Mexico offshore Texas and Louisiana. The Company owns 100% of the working interest in a single property, the Wisdom gas field, consisting of three blocks on the Outer Continental Shelf, East Breaks 109, 110 and 154, located approximately 100 miles south of Galveston, Texas. This property includes a production platform from which nine development wells have been drilled. The development was completed during fiscal 1988. During fiscal 1993, the Wisdom gas field provided approximately 75% of the Company's U.S. gas production and as of September 30, 1993, the Wisdom field represented approximately 83% of the Company's remaining proved U.S. gas reserves. None of the other five properties individually accounted for more than 10% of the Company's total proved reserves as of September 30, 1993.

In May 1992, the Company completed a \$12.2 million workover and recompletion program on its Wisdom natural gas field, which included the workover or recompletion of five wells on the Company's TEQUILA production

platform, located on the East Breaks 110 block. While the field's natural decline in deliverability continues, the program temporarily increased the production capability of the property.

In April 1993, one of the wells in the Wisdom gas field was shut-in when it started producing sand. Prior to the failure, this well was capable of producing 6.5 MMcf per day. After some minor repairs, the well was temporarily returned to production at a significantly reduced level. Indications are that the sand production was due to a mechanical failure in the well and that a workover/recompletion of the well will be required before production can be further restored. Efforts to restore production from this well will be influenced by the evaluation process regarding the well failure discussed below.

In early September 1993, an additional well in the Wisdom gas field ceased production as a result of an influx of sand and water. Immediately prior to the time the well ceased producing, this well was capable of producing approximately 5.5 MMcf per day. After some minor repairs, the well was temporarily returned to production at a significantly reduced level. While the ultimate cause of the influx of sand and water is not known at this time, indications suggest that a mechanical failure was the cause and that the production should be able to be restored. The Company currently estimates that a workover/recompletion of this well will cost approximately \$2.5 million. Efforts to restore production commenced in February 1994 and may take up to two months to complete. The workover/recompletion of the well had been delayed because of the lack of workover rig availability. Based upon the results of the initial efforts, the Company will consider whether to pursue the systematic workover/recompletion of additional wells in the Wisdom gas field. The Company currently estimates that each additional workover/recompletion will cost approximately \$2.5 million.

Until such time that repairs to the above wells or certain other non-producing wells in the Wisdom gas field can be effected and production restored, revenues from domestic oil and gas operations will be based on significantly lower production quantities than in prior years. In December 1993, the Wisdom gas field was producing a total of approximately 3.0 MMcf per day. Zapata's domestic natural gas production for the first three months of fiscal 1994 was one-third of the fiscal 1993 periods's level of production due to the production difficulties at the Wisdom gas field. No assurances can be given that these well failures will be able to be repaired or that the cause or causes of the failures will not also affect additional wells in the Company's Wisdom gas field.

Production and Sales. The following table sets forth the Company's production of oil and gas, net of all royalties, overriding royalties and other outstanding interests, for the three years ended September 30, 1993, 1992 and 1991. Natural gas production refers only to marketable production of gas on an "as sold" basis.

	UNITED STATES		BOLIVIA	
	GAS (MMCF)	LIQUIDS (MBBL)	GAS (MMCF)	LIQUIDS (MBBL)
PRODUCTION VOLUMES FOR THE YEAR ENDED:				
September 30, 1993.....	7,067	47.1	1,665	55.3
September 30, 1992.....	10,197	58.6	1,682	54.3
September 30, 1991.....	8,651	40.2	1,659	57.2

The following table shows the average sales prices received by the Company

for its production for the three years ended September 30, 1993, 1992 and 1991:

	UNITED STATES		BOLIVIA	
	GAS (MMCF)	LIQUIDS (MBBL)	GAS (MMCF)	LIQUIDS (MBBL)
AVERAGE SALES PRICES FOR THE YEAR ENDED:				
September 30, 1993.....	\$2.32	\$16.53	\$1.15	\$17.41
September 30, 1992.....	1.82	18.45	1.70	17.00
September 30, 1991.....	1.99	23.47	3.18	23.83

The following table shows the average production (lifting) costs per unit of production of liquids and gas based on equivalent Mcf for the three years ended September 30, 1993, 1992 and 1991:

AVERAGE PRODUCTION COSTS FOR THE YEAR ENDED:	UNITED STATES	BOLIVIA
September 30, 1993.....	.77	.05
September 30, 1992.....	.75	.03
September 30, 1991.....	.88	.04

Production (lifting) costs are costs incurred to operate and maintain wells and related equipment and facilities. They do not include depreciation, depletion and amortization of capitalized acquisition, exploration and development costs, exploration expenses, general and administrative expenses, interest expense or income tax. Production costs for fiscal 1992 and 1991 include the effects of \$3.0 million and \$2.4 million, respectively, in workover expense incurred as a part of the Wisdom gas field workover and recompletion program completed in May 1992. Differences between sales prices and production (lifting) costs do not represent profit.

Productive Wells and Acreage. On September 30, 1993, the Company's U.S. oil and gas properties consisted of working interests in 40 gross oil and gas wells (17 net wells) capable of production, of which the Company operated 15. The following table shows the number of producing wells and wells capable of production as of September 30, 1993:

PRODUCTIVE OIL AND GAS WELLS:	UNITED STATES		BOLIVIA	
	OIL	GAS	OIL	GAS
Gross.....	3	37	0	16
Net.....	1	15.75	0	4.10

One or more completions in the same bore hole are counted as one well. Fourteen gross (6.61 net) gas wells in the United States and 12 gross (3.00 net) gas wells in Bolivia are dual completions. A "gross well" is a well in which the Company owns a working interest. A "net well" is deemed to exist when the sum of the fractional working interests owned by the Company in gross wells equals

one.

The following table sets forth certain information with respect to the developed and undeveloped acreage of the Company as of September 30, 1993:

	DEVELOPED (1)		UNDEVELOPED (2)		TOTAL	
	GROSS (3)	NET (4)	GROSS (3)	NET (4)	GROSS (3)	NET (4)
ACREAGE						
United States						
Offshore.....	7,460	4,109	38,115	19,051	45,575	23,160
Foreign						
Bolivia.....	5,120	1,280	1,262,560	337,804	1,267,680	339,084
Total.....	12,580	5,389	1,300,675	356,855	1,313,255	362,244
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- (1) Developed acreage is acreage spaced or assignable to productive wells.
 - (2) Undeveloped acreage is acreage on which wells have not been drilled or completed to a point that would permit the production of commercial quantities of oil and gas, regardless of whether such acreage contains proved reserves. All of the Company's undeveloped acreage is held under leases which are currently held by production.
 - (3) A "gross acre" is an acre in which a working interest is owned. The number of gross acres represents the sum of acres in which a working interest is owned.
 - (4) A "net acre" is deemed to exist when the sum of the fractional working interests in gross acres equals one. The number of net acres is the sum of the fractional working interests in gross acres expressed in whole numbers or fractions thereof.

Drilling Activity. Other than the \$12.2 million workover and recompletion program with respect to the Company's Wisdom gas field, the Company did not participate in any domestic exploratory or development drilling during the years ended September 30, 1991, 1992 and 1993. However, since September 30, 1993, the Company has participated in drilling an exploratory well in its Bolivian operation which has achieved total depth. Testing and completion operations are currently underway.

Bolivian Joint Venture. In 1987, the Company wrote off its remaining investment in its oil and gas properties in Bolivia (held by a joint venture in which the Company has a 25% interest), and all cash proceeds received by the Company thereafter have been recognized as revenues. The write-off resulted from the failure of the Bolivian state-owned petroleum company to honor its commitment to pay the joint venture for gas deliveries on a timely basis and to remit past-due payments on an agreed schedule. The Bolivian properties continue to be operated by the joint venture, which began receiving payments with respect to current and past-due invoices on June 30, 1991. The Company received cash payments with respect to its 25% interest in the joint venture of \$2.3 million during the quarter ended September 30, 1991, \$10.1 million during fiscal 1992 and \$3.2 million during fiscal 1993. These amounts, which were recorded as revenues in fiscal 1991, 1992 and 1993, respectively, include the collection of past-due amounts and may not be indicative of future cash flows from the Company's Bolivian interest. Based on the Bolivian oil and gas company's performance under renegotiated contracts and improved operating conditions, Zapata returned to the accrual method of accounting for its Bolivian oil and gas operations beginning in October 1993; outstanding receivables related to

production from prior months will continue to be recognized as revenue when received.

The Company's inability to obtain full payment for gas produced in Bolivia prior to 1987 led it to file an insurance claim in 1987. The claims and related litigation were settled by the payment to the Company of \$12.8 million in cash, net of expenses, in March 1991. The Company's interest in the joint venture and its right to recover amounts due for past and current production in Bolivia were not affected by the settlement.

Marketing. The revenues generated by the Company's exploration and production operations are highly dependent upon the prices of, and demand for, natural gas, and, to a lesser extent, oil. For the last several years, prices

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of oil and gas have reflected a worldwide surplus of supply over demand. From time to time, the Company has curtailed its gas production in response to the low price of gas.

Market conditions for oil and gas are the result of a number of factors outside the control of the Company, including changing economic conditions, seasonal weather conditions, loss of markets to alternative fuels, increased foreign production, government regulation and the failure or success of members of OPEC to agree to and maintain price and production controls. Historically, demand for, and prices of, natural gas are seasonal, generally peaking in the winter when heating requirements are highest.

Substantially all of the Company's natural gas production in the United States is sold on the spot market, principally to independent natural gas marketers. During each of the last three fiscal years, no purchaser of the Company's oil and gas production accounted for more than 10% of the Company's total consolidated revenues (including revenues attributable to the Company's discontinued offshore drilling operations). The Company believes that the loss of any individual purchaser would not have a material adverse effect on the Company.

Competition. The Company faces significant competition in its oil and gas operations. The Company's competitors in its producing efforts include major oil and gas production companies and numerous independent oil and gas companies, individuals and drilling and income programs. The Company's competitors in its marketing efforts include other oil and gas production companies, major interstate pipelines and their marketing affiliates, and national and local gas gatherers, brokers, marketers and distributors of varying sizes, financial resources and experience. Certain competitors, such as major oil and gas production companies, have financial and other resources substantially in excess of those available to the Company.

Governmental Regulation. Because its producing properties are located on the federally controlled Gulf Coast portions of the Outer Continental Shelf, various aspects of the production and sale of the Company's oil and gas are regulated by federal authorities. Offshore operations and attendant government royalty matters are within the jurisdiction of the Minerals Management Service, an agency within the Department of the Interior. Historically, all of the Company's domestic natural gas was sold in so-called "first sales" and was subject to certain of the pricing and other provisions of the Natural Gas Policy Act of 1978 (the "NGPA"), the Natural Gas Act (the "NGA"), and the regulations and orders issued by the FERC in implementing those Acts. Under the Natural Gas Wellhead Decontrol Act of 1989 ("Decontrol Act"), all remaining natural gas wellhead pricing, sales certificate and abandonment regulation of first sales by the FERC was terminated on January 1, 1993. Prior to statutory deregulation, the Company utilized the procedures contained in FERC Order No. 490, issued in early 1988, to achieve the required abandonment of some of its previous gas sales, and subsequently used the automatic FERC certificate authority of that order to sell those volumes for resale in interstate commerce. Order No. 490 has been on appeal to the U.S. Court of Appeals for the Sixth Circuit for a

considerable length of time; however, in light of favorable Supreme Court review of relevant portions of other analogous FERC rulemakings, motions have been filed at the Sixth Circuit seeking termination of that appeal. Further action on those motions is pending. The Company cannot predict whether Order No. 490 will be upheld, if reviewed by the appellate court, but does not anticipate any material adverse effect upon the marketing of the Company's natural gas production as a result of that review.

The FERC also regulates interstate natural gas pipeline transportation rates and service conditions, which affect the marketing of gas produced by the Company, as well as the revenues received by the Company for sales of such natural gas. This regulation is pursuant to the NGA, the NGPA and, to the extent of operations on the Outer Continental Shelf, the Outer Continental Shelf Lands Act (the "OCSLA"). Under the OCSLA, all gathering and transporting of gas on the Outer Continental Shelf must be performed on an "open and non-discriminatory" basis. While the NGA and NGPA do not contain precisely the same standard, since the latter part of 1985, through its Order No. 436 and Order No. 500 rulemakings, the FERC has endeavored to make on-shore natural gas transportation more accessible to gas buyers and sellers on an open and non-discriminatory basis, and the FERC's efforts have significantly altered the marketing and pricing of natural gas. Recently, the FERC has taken action to require those interstate pipelines which operate offshore on the Outer Continental Shelf to operate in a manner consistent with the FERC's regulations governing onshore operations. Another related effort has been made with respect to intrastate pipeline operations pursuant to the FERC's NGPA (S)311 authority, under which the FERC establishes rules by which intrastate pipelines may participate in certain interstate activities without becoming subject to full NGA jurisdiction. These Orders have gone through

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various permutations, due in part to the FERC's response to court review, but have generally remained intact as promulgated. Parts of Order No. 500 pertaining to the FERC's abandonment authority remain subject to court review, however, and the Company is unable to predict the impact on the Company's natural gas operations of further judicial action concerning that Order. The FERC's jurisdiction over natural gas transportation is unaffected by the Decontrol Act.

On April 8, 1992, the FERC issued Order No. 636 requiring further restructuring of the sales and transportation services provided by interstate pipeline companies. Order 636 amended certain existing regulations and adopted certain new regulations governing all interstate pipelines that perform open access transportation (defined to include storage), under either the NGA or the NGPA within Part 284 of the FERC's regulations. The FERC considers the changes necessary to improve the competitive structure of the interstate natural gas pipeline industry and to create a regulatory framework that will put gas sellers into more direct contractual relations with gas buyers than has historically been the case. Order 636 reflects the FERC's finding that under the current regulatory structure, such interstate pipelines and other gas merchants, including producers, do not compete on an equal basis. The FERC asserts that Order 636 is designed to equalize that marketplace. This equalization process will be implemented through negotiated settlements in individual pipeline service restructuring proceedings, designed specifically to "unbundle" those services (e.g., transportation, sales and storage) provided by many interstate pipelines so that producers of natural gas may secure services from the most economical source, whether interstate pipelines or other parties. In many instances, the result of the FERC initiatives may be to substantially reduce or bring to an end the interstate pipelines' traditional role as wholesalers of natural gas in favor of providing only natural gas storage and transportation services. The restructuring proceedings resulting from Order 636 continued throughout 1993, with all major pipelines having already received FERC orders approving their compliance filings, subject to conditions. Thus, the 1993-94 winter heating season will be the first such period during which the FERC's Order 636 procedures will be operative.

Although Order 636 does not regulate gas producers such as the Company, the

FERC has stated that Order 636 is intended to foster increased competition within all phases of the natural gas industry. It is unclear what impact, if any, increased competition within the natural gas industry under Order 636 will have on the Company as a producer. Furthermore, although the FERC earlier denied a stay of the effectiveness of Order 636, thus assuring that its requirements will be implemented, because the requirements of Order 636 are being implemented through individual restructuring proceedings on a pipeline-by-pipeline basis, it is impossible to predict what effect, if any, Order 636 will have on the Company and its gas marketing efforts. In addition, in response to numerous requests that the FERC grant rehearing of Order 636, on August 3, 1992 and November 27, 1992 the FERC issued its Orders 636-A and 636-B, which largely confirmed the provisions and goals previously set forth in Order 636, and otherwise made relatively modest changes to its prior rule. Numerous petitions seeking judicial review of Orders 636, 636-A and 636-B have already been filed. Because the restructuring requirements that have emerged to date from this lengthy administrative and judicial review process are in some instances different from those of Orders 636, 636-A and 636-B as originally promulgated, it is not possible to predict what effect, if any, the final rule resulting from these Orders will have on the Company.

The Company's domestic oil and gas operations are subject to extensive state and federal regulations which have increased the cost of doing business by requiring additional equipment or methods to eliminate or reduce pollution and have increased financial exposure as in the case of federal laws and regulations which may result in absolute liability for cleanup and removal of offshore oil spills. Governments may from time to time suspend or curtail operations considered to be detrimental to the ecology or which may jeopardize public safety. The Company does not anticipate any material adverse effect on its financial or competitive position as a result of compliance with such laws and regulations.

MARINE PROTEIN OPERATIONS

The Company's marine protein operations involve the production and sale of a variety of protein and oil products from menhaden, a species of fish found along the Gulf of Mexico and Atlantic coasts. Because the magnitude of the fish catch depends on the availability of the natural resource, which is affected by various factors beyond the Company's control, and because the prices for the Company's products are established by worldwide supply and demand relationships over which the Company has no control, the Company cannot predict the profitability of this business segment in any given year.

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Fishing. The Company owns a fleet of 52 fishing vessels and 27 spotter aircraft for use in its fishing operations and also leases or charters additional vessels and aircraft where necessary to facilitate operations. During the 1993 fishing season in the Gulf of Mexico, where the fishing season runs from mid-April through October, the Company operated 34 fishing vessels and 24 spotter aircraft. The fishing area in the Gulf stretches from the south Texas coastline to the panhandle of western Florida, with a concentration off the Louisiana and Mississippi coasts. The fishing season on the Atlantic coast begins in early May and usually extends into December. During the 1993 fishing season the Company operated 9 fishing vessels and 7 spotter aircraft along the mid-Atlantic coast, concentrated in and around the Chesapeake Bay.

Menhaden usually school in large, tight clusters and are commonly found in warm, shallow waters. Spotter aircraft locate the schools and direct the fishing vessels to them. The principal fishing vessel is a steamer, which transports two 40-foot purse boats, each carrying several fishermen and one end of a 1,500-foot net. The purse boats encircle the school and capture the fish in the net. The fish are then pumped from the net into refrigerated holds of the steamer, which unloads the fish at the Company's processing plants.

Processing. The Company owns five processing plants--three in Louisiana, one in Mississippi and one in Virginia--where the menhaden are processed into fish meal, fish oil and fish solubles. The fish are unloaded from the vessels

into storage boxes and then conveyed into steam cookers. The fish are then passed through presses to remove most of the oil and water. The solid portions of the fish are dried and then ground into fish meal. The liquid that is produced in the cooking and pressing operations contains oil, water, dissolved protein and some fish solids. This liquid is decanted to remove the solids and is then put through a centrifugal oil/water separation process. The separated fish oil is a finished product. The separated water and protein mixture is further processed through evaporators to remove the soluble protein, which can be sold as a finished product or added to the solid portions of the fish for processing into fish meal.

Fish meal, the principal product made from menhaden, is sold primarily to poultry feed producers as a high protein ingredient. It is also used as a protein supplement in feed formulated for pigs and other livestock. Each use requires certain standards to be met regarding quality and protein content, which are determined by the freshness of the fish and by processing conditions such as speed and temperatures. Fish solubles are a liquid protein product used as an additive in fish meal and also marketed as an independent product to animal feed formulators and the fertilizer industry.

Fish oil from menhaden is widely used for human consumption as an edible fat in Europe. Refined and hydrogenated menhaden oils have a wide variety of applications as ingredients of margarine, cooking oil and solid cooking fats used in baked goods. The U.S. Food and Drug Administration has approved the use of fully hydrogenated menhaden oil and partially hydrogenated menhaden oil for human consumption in the United States and is considering a petition for use of refined unhydrogenated menhaden oil for human consumption in the United States.

A modernization of the Company's menhaden processing plant located in Abbeville, Louisiana was completed during fiscal 1993. The Company expects that the modernization will enable the Abbeville plant to meet new, more stringent state environmental regulations and result in a more economical and efficient operation. The modernization is also expected to make the Abbeville facility a more efficient producer of special quality meals, premium products used in baby pig and dairy cattle feeds.

In August 1993, the Company acquired a 60% equity interest in Venture Milling Company ("Venture"), a Delaware corporation involved in the milling of animal feeds and protein ingredient products for the poultry, hog and dairy industries. Venture leases and operates a feed mill in Seaford, Delaware and manages its processing operations and sales activities independent of the Company. The Company's financial results for the 1993 fiscal year were not materially impacted by activity related to Venture.

Marketing. Most of the Company's products are sold directly to about 250 customers by the Company's marketing department, while a smaller amount is sold through independent sales agents. Total product inventory (at the lower of average cost or market) was \$33,504,000 as of September 30, 1993 compared to \$18,765,000 on September 30, 1992. While the fishing season usually extends from April into December, sales from inventory continue throughout the year.

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The Company's fish meal is primarily sold to domestic feed producers for utilization as a high protein ingredient for the poultry industry. In fiscal 1993, the ten largest customers for fish meal accounted for approximately 58% of the Company's fish meal sales. Fish oil sales primarily involve export markets where the fish oil is refined for use as an edible oil. More than 95% of the Company's fiscal 1993 fish oil sales were to export accounts. The top five customers for the Company's fiscal 1993 fish oil sales accounted for approximately 83% of total fish oil revenues. No single customer accounted for 10% or more of the Company's total consolidated revenue during the fiscal year ended September 30, 1993.

Competition. The principal competition for the Company's fish meal and

fish solubles are other protein sources such as soybean meal and other vegetable or animal products. The Company believes, however, that these other sources are not complete substitutes because fish meal offers nutritional values not contained in such sources. Vegetable fats and oils, such as soybean and palm oils, provide the primary market competition for fish oil. In addition, the Company competes against domestic, privately owned menhaden fishing companies as well as international producers of fish meal and fish oil derived from species such as anchovy and mackerel.

Fish meal prices generally bear a direct relationship to prevailing soybean meal prices, while prices for fish oil are generally influenced by prices for vegetable fats and oils, such as soybean and palm oils. Thus, the prices for the Company's products are established by worldwide supply and demand relationships over which the Company has no control, and tend to fluctuate to a significant extent over the course of a year and from year to year.

Regulation. The Company's marine protein operations are subject to certain federal, state and local laws and regulations relating to the location and periods in which fishing may be conducted, as well as environmental and safety matters. The Company, through its operation of fishing vessels, is subject to the jurisdiction of the U.S. Coast Guard, the National Transportation Safety Board, and the U.S. Customs Service. The U.S. Coast Guard and the national Transportation Safety Board set safety standards and are authorized to investigate vessel accidents and recommend improved safety standards. The U.S. Customs Service is authorized to inspect vessels at will.

The marine protein operations of the Company also are subject to federal, state, and local laws and regulations relating to the protection of the environment, including the Federal Water Pollution Control Act of 1972, which was significantly modified in 1977 to deal with toxic water pollutants and re-named as the Clean Water Act, and which imposes strict controls against the discharge of oil and other water pollutants into navigable waters. The Clean Water Act provides penalties for any discharge of pollutants in reportable quantities and, along with the Oil Pollution Act of 1990, imposes substantial liability for the costs of oil removal, remediation and damages. The Company's marine protein operations also are subject to the Federal Clean Air Act, as amended; the Federal Resource Conservation and Recovery Act, which regulates treatment, storage and disposal of hazardous wastes; the Federal Comprehensive Environmental Response, Compensation and Liability Act, which imposes liability, without regard to fault, on certain classes of persons that contributed to the release of a "hazardous substance" into the environment; and the Federal Occupational Safety and Health Act ("OSHA"). The OSHA hazard communications standard, the Environmental Protection Agency community right-to-know regulations under Title III of the Federal Superfund Amendment and Reauthorization Act and similar state statutes require the Company to organize information about hazardous materials used or produced in its operations. Certain of this information must be provided to employees, state and local governmental authorities and local citizens. Numerous other environmental laws and regulations, along with similar state laws, also apply to the marine protein operations of the Company, and all such laws and regulations are subject to change.

The Company has made, and anticipates that it will make in the future, certain expenditures in the ordinary course of its business in connection with environmental matters. Such expenditures have not been material in the past and are not expected to be material in the future. However, there is no assurance that environmental laws and regulations enacted in the future will not adversely affect the Company's marine protein operations.

TIDEWATER OWNERSHIP INTEREST

The Company now owns approximately 1.0 million shares of Tidewater common stock. After the sale of 3.5 million shares of Tidewater common stock in June 1993, the Company owned 4.8 million shares of Tidewater common

stock. In November 1993, Zapata sold an additional 3.75 million shares of its Tidewater common stock for a net price of \$20.75 per share or \$77.8 million.

Tidewater, an international energy services company with headquarters in New Orleans, has two principal lines of business: offshore marine services and compression services. Tidewater's offshore marine services division principally provides support services to the domestic and international offshore petroleum industry. Tidewater's compression services division principally provides the domestic energy industry with a broad range of engineered products and technical services used primarily in production, enhanced recovery and transmission of natural gas and in natural gas processing.

EMPLOYEES

At December 31, 1993, the Company and its subsidiaries employed approximately 1,600 persons. Approximately 120 employees of the Company are represented by an affiliate of the United Food and Commercial Workers Union and approximately 50 employees of the Company are represented by an affiliate of the United Association of Journeymen and Apprentices of the Plumbing and Pipe Fitting Industry of the United States and Canada ("Plumbers & Steamfitters Union"). The Company considers its employee relations to be generally satisfactory.

In April 1993, the fishermen at the Company's marine protein operations in Reedville, Virginia went on strike following a breakdown in negotiations for a renewal of their collective bargaining agreement. The Company continued to operate with existing and new employees. Approximately 85 of the 245 people employed at the Reedville facility were on strike. The Company has been notified that the strike has been terminated.

In July 1993, the Plumbers & Steamfitters Union, seeking to represent plant maintenance personnel, as well as operators, toolmakers and laborers, filed a petition for a representation election at the Company's marine protein operations in Moss Point, Mississippi, which was held on September 3, 1993. The Union was certified as the collective bargaining representative of the production and maintenance employees at Moss Point. The Company has commenced negotiations with the Union.

EXECUTIVE OFFICERS OF THE REGISTRANT

The names, ages and current offices of the executive officers of the Company, who are to serve until the next annual meeting of the Board of Directors to be held in 1994, and serving as of February 18, 1994, are set forth below. Also indicated is the date when each such person commenced serving as an executive officer of the Company.

NAME AND AGE	OFFICE	DATE BECAME EXECUTIVE OFFICER
Ronald C. Lassiter (61)...	Chairman of the Board of Directors and Chief Executive Officer	October 1971
Thomas H. Bowersox (52)...	Executive Vice President	March 1981
Marvin J. Migura (43)....	Senior Vice President and Chief Financial Officer	November 1987
Robert W. Jackson(50)....	President and Chief Executive Officer of Cimarron	November 1992
Bruce K. Williams (45)....	Chairman, President and Chief Executive Officer of Zapex	July 1987
David W. Skarke (38).....	Vice President, Corporate Development	November 1991

A description of the business experience during the first five years for each of the executive officers of Zapata is set forth below.

Ronald C. Lassiter, a director since 1974, has been Chairman of the Board of Directors of Zapata since December 1985 and Chief Executive Officer of Zapata since January 1983. He was also President of Zapata from July 1978 until December 1985, when the office was eliminated. He has served in various positions with Zapata since 1970, and he served as a director of Zapata Gulf Marine Corporation from November 1984 to January 1992. Mr. Lassiter also serves

as a director of Daniel Industries, Inc. Prior to the closing date of the acquisition of Energy Industries, Mr. Lassiter served as director of Tidewater.

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Thomas H. Bowersox has served as Executive Vice President of Zapata since October 1992. He was Chairman of the Board, President and Chief Executive Officer of Zapata Off-Shore Company, a wholly owned offshore drilling subsidiary of Zapata, from July 1987 to October 1992. He served as Senior Vice President, General Counsel, Chief Administrative Officer and Assistant Secretary of Zapata from October 1984 to July 1987, and in various positions with Zapata prior thereto. Mr. Bowersox also served as Chairman, President and Chief Executive Officer of Zapex from December 1986 to July 1987.

Marvin J. Migura has served as Senior Vice President and Chief Financial Officer of Zapata since November 1987. He served as Vice President-Finance and Accounting of Zapata from August 1986 to November 1987, and as Vice President and Controller of Zapata from November 1981 to August 1986.

Bruce K. Williams has served as Chairman, President and Chief Executive Officer of Zapex since January 1991. He served as President of Zapex from July 1987 to January 1991, as Executive Vice President of Zapex from January 1986 to July 1987 and as Vice President-Business Development and Administration of Zapex from January 1983 to January 1986.

Robert W. Jackson has served as President and Chief Executive Officer of Cimarron since its acquisition by Zapata in November 1992, and for at least the five years prior thereto, he was the principal stockholder and chairman and chief executive officer of Cimarron and its predecessors.

David W. Skarke has served as Vice President, Corporate Development of Zapata since November 1991. He served as Vice President-Finance of Zapata from October 1990 to November 1991, as Vice President, Finance and Treasurer of Zapata from November 1987 to October 1990, as Treasurer of Zapata from August 1987 to November 1987, and as Assistant Treasurer from June 1985 to August 1987.

USE OF PROCEEDS

The Selling Stockholders will receive all of the net proceeds from the sale of their Shares. The Company will not receive any of the proceeds from the sale of the Shares by the Selling Stockholders.

PLAN OF DISTRIBUTION AND SELLING STOCKHOLDERS

GENERAL

The Selling Stockholders directly, through agents designated from time to time, or through dealers or underwriters also to be designated, may sell the Shares from time to time, in or through privately negotiated transactions, in one or more transactions, including block transactions, on the NYSE or on any stock exchanges on which the Shares may be listed in the future pursuant to and in accordance with the applicable rules of such exchanges or otherwise. The selling price of the Shares may be at market prices prevailing at the time of sale, at prices relating to such prevailing market prices or at negotiated prices. To the extent required by applicable law, the specific Shares to be sold, the names of the Selling Stockholders, the respective purchase prices and public offering prices, the names of any such agent, dealer or underwriter, and any applicable commissions or discounts with respect to a particular offer will be set forth in an accompanying Prospectus Supplement.

The Selling Stockholders and any underwriters, dealers or agents that participate in the distribution of the Shares may be deemed to be underwriters, and any profit on the sale of the Shares by them and any discounts, commissions

or concessions received by any such underwriters, dealers or agents might be deemed to be underwriting discounts and commissions under the Securities Act.

SLA SELLING STOCKHOLDERS

The following Selling Stockholders are referred to herein as the SLA Selling Stockholders: Malcolm I. Glazer, Bank of America National Trust and Savings Association, Cargill Financial Services Corporation, TCW Special Credits Fund II, L.P., Norex America (with respect to certain of its shares), TCW Special Credits Fund IIb, L.P., The Weyerhaeuser Company Master Pension Trust, Midelfart & Co. A/S, Canadian Imperial Bank of Commerce, A/S Konsernbygg, The Network Co. Limited, UNI Storebrand Livsforsikring AS, The Inland Steel Industries Pension Trust and ISIC Ltd. Each of these Selling Stockholders (other than Mr. Glazer) entered into the Securities Liquidity Agreement in connection with the 1990 Restructuring. Mr. Glazer has also subsequently entered into the Securities Liquidity Agreement with respect to all of his shares of Common Stock. Pursuant to the Securities Liquidity Agreement, Zapata has agreed to pay all of the expenses incident to the preparation and filing of the Registration Statement of which this Prospectus is a part (other than commissions and discounts of any underwriters, dealers or agents). Zapata has also agreed to indemnify the SLA Selling Stockholders and any underwriters they may utilize against certain civil liabilities, including liabilities arising under the Securities Act. In addition, each SLA Selling Stockholder agreed to indemnify Zapata against certain civil liabilities, including liabilities under the Securities Act, with respect to written information furnished by such SLA Selling Stockholder to Zapata.

This offering of the Shares by the SLA Selling Stockholders is expected to be terminated by no later than November 5, 1995, subject to extension in certain circumstances pursuant to the Securities Liquidity Agreement. The Securities Liquidity Agreement will terminate on the date ("Termination Date") which is the later to occur of (i) the date immediately following the date on which Zapata has no further obligation under the terms of the Securities Liquidity Agreement to file or keep effective the Registration Statement to which this Prospectus relates or (ii) the earlier of (a) the date on which there is no person holding Common Stock registrable pursuant to the Securities Liquidity Agreement who owns more than 5% of the then outstanding Common Stock or (b) the date on which Zapata has effected the required number of demand registrations described below.

The Securities Liquidity Agreement provides that after the termination of the Registration Statement to which this Prospectus relates, but prior to the Termination Date, each person holding Common Stock registrable pursuant to the Securities Liquidity Agreement which owns more than 5% of the then outstanding Common Stock has the right to request of Zapata one demand registration, provided that Zapata is not obligated to provide more than five such demand registrations. The Securities Liquidity Agreement also provides the person holding Common Stock registrable pursuant to the Securities Liquidity Agreement with piggyback registration rights for their Common Stock in certain instances.

Malcolm I. Glazer and his son, Avram A. Glazer, both became members of the Board of Directors of Zapata in July 1993.

NOREX

Pursuant to the Norex Agreement, Zapata has agreed to pay all of the expenses in the preparation of the Registration Statement of which this Prospectus forms a part (other than commissions and discounts, of any underwriters, dealers or agents). The offering of the Shares by Norex is expected to be terminated by no later than October 1996, subject to extension in certain circumstances pursuant to the Norex Agreement. Pursuant to a registration rights agreement among Zapata and Norex, Zapata has agreed to provide certain demand and piggyback registration rights to Norex. Such registration rights agreement is not

effective, however, and Norex does not have any rights thereunder, until the Securities Liquidity Agreement has terminated or is no longer effective. Such registration rights agreement with Norex will terminate no later than May 1, 1998.

Kristian Siem, chairman of the board and chief executive officer since 1978 of Norex America and its affiliate, Norex Plc, became a member of the Board of Directors of Zapata in July 1993.

ENERGY INDUSTRIES SELLING STOCKHOLDERS

The following Selling Stockholders are referred to herein as the "Energy Industries Selling Stockholders": Peter M. Holt, Benjamin D. Holt, Jr., the S Stock GST Trust for Benjamin D. Holt III, the S Stock GST Trust for Anne Holt,

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the S Stock GST Trust for Peter M. Holt, the Holt Corporate Stock Marital Trust--1985, Holt Corporate Stock Life Trust--1985, and the Peter Holt H-R Trust. Pursuant to the Merger, Purchase and Sale Agreement with respect to the acquisition of Energy Industries, Zapata has agreed to pay all of the expenses in the preparation of the Registration Statement of which the Prospectus is a part (other than (i) expenses of preparing financial statements relating to Energy Industries, which shall be paid for by the shareholders of Energy Industries, and (ii) commissions and discounts of any underwriters, dealers or agents). Zapata has also agreed to indemnify the Energy Industries Selling Stockholders and any underwriters they utilize against certain civil liabilities, including liabilities arising under the Securities Act. In addition, each Energy Industries Selling Stockholder has agreed to indemnify Zapata against certain civil liabilities, including liabilities under the Securities Act with respect to written information furnished by such Energy Industries Selling Stockholder to Zapata. The offering of the Shares by the Energy Industries Selling Stockholders is expected to be terminated by no later than October 1996, subject to extension in certain circumstances pursuant to the Merger, Purchase and Sale Agreement with respect to the Energy Industries acquisition. Pursuant to a registration rights agreement among Zapata and the Energy Industries Selling Stockholders, Zapata has agreed to provide certain demand and piggyback registration rights to the Energy Industries Selling Stockholders. Such registration rights agreement is not effective, however, and the Energy Industries Selling Stockholders do not have any rights thereunder, until the Securities Liquidity Agreement has terminated or is no longer effective. Such registration rights agreement with the Energy Industries Selling Stockholders will terminate on May 1, 1998.

Peter M. Holt became a member of the Board of Directors of Zapata in November 1993. He is also the chairman and chief executive officer of Energy Industries, a wholly-owned subsidiary of Zapata.

CIMARRON SELLING STOCKHOLDERS

The Robert W. Jackson Trust, James C. Jewett and Robert H. Parks, Jr. are referred to herein as the "Cimarron Selling Stockholders." The offering of the Shares by the Cimarron Selling Stockholders is expected to be terminated by no later than October 1996.

Robert W. Jackson is the president and chief executive officer of Cimarron, a wholly-owned subsidiary of Zapata. Robert H. Parks, Jr. is a vice president of Cimarron.

SELLING STOCKHOLDERS

This Prospectus covers offers from time to time by the Selling Stockholders of the Shares owned by the Selling Stockholders. Set forth below are (i) the names of the Selling Stockholders and (ii) the number of shares of Common Stock held as of the date of this Prospectus by the Selling Stockholders, which number is also the number of Shares which may be offered by each Selling

Stockholder pursuant to this Prospectus. Any or all of the Shares listed below may be offered for sale by the Selling Stockholders from time to time. For more than the last three years, certain of the Selling Stockholders have engaged in various transactions with the Company in the course of providing financial support for the Company in connection with the 1990 Restructuring, the refinancing by Norex, the acquisition of Energy Industries and the acquisition of Cimarron.

	NUMBER OF SHARES OF COMMON STOCK HELD AND OFFERED PURSUANT TO THIS PROSPECTUS -----	PERCENTAGE OF INTERESTS PRIOR TO ANY SALES MADE PURSUANT TO THIS PROSPECTUS -----
Malcolm I. Glazer Trust.....	51,976,923	32.77
Norex America.....	14,696,124 (1)	9.27
Bank of America National Trust and Savings Association.....	8,045,927	5.07
Cargill Financial Services Corporation.....	7,575,201	4.78
TCW Special Credits Fund II, L.P.....	5,587,943 (2)	3.52
Peter M. Holt.....	4,809,843 (3) (4)	3.03
TCW Special Credits Fund IIb, L.P.....	3,940,013 (2)	2.48
Benjamin D. Holt, Jr.....	3,200,486 (3)	2.02
Robert W. Jackson Trust.....	1,902,181 (6)	1.20
The Weyerhaeuser Company Master Pension Trust.....	1,717,526 (2)	1.08
Midelfart & Co A/S.....	1,675,349	1.06
Prosperity Investments, Inc.....	1,300,000 (5)	*
Canadian Imperial Bank of Commerce.....	1,296,984	*
A/S Konsernbygg.....	1,116,899	*
S Stock GST Trust for Benjamin D. Holt III..	967,008	*
S Stock GST Trust for Anne Holt.....	967,008	*
S Stock GST Trust for Peter M. Holt.....	1,102,389 (3)	*
Holt Corporate Stock Marital Trust--1985....	910,447 (3)	*
The Network Co. Limited.....	903,878	*
Holt Corporate Stock Life Trust--1985.....	881,078 (3)	*
UNI Storebrand Livsforsikring AS.....	637,675	*
The Inland Steel Industries Pension Trust...	760,626 (2)	*
ISIC Ltd.....	558,450	*
James C. Jewett.....	182,149	*
Peter Holt H-R Trust.....	661,741 (3)	*
Robert H. Parks, Jr.....	102,336	*
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Total.....	117,476,184	74.07

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* Less than 1%.

- (1) Includes 300,000 shares of Common Stock issuable on the conversion of the 3,000 shares of \$100 Preference Stock, if and when issued.
- (2) Sole voting and investment power over such shares is held by TCW Special Credits (12,006,108 shares or 7.57% in the aggregate).
- (3) Sole voting and investment power over the shares held by the S Stock Trust GST for Peter M. Holt, the Holt Corporate Stock Marital Trust--1985, the Holt Corporate Stock Life Trust--1985 and the Peter Holt H-R Trust is held by Peter M. Holt.
- (4) Peter M. Holt also owns an additional 579,800 shares of Common Stock purchased on the open market which are not subject to this Prospectus.
- (5) A private investment company organized under the laws of the British

Virgin Islands, the president of which is also the president of Norex America.

- (6) 150,000 shares of this amount are in trust for Robert W. Jackson's two minor children. Mr. Jackson also owns an additional 20,000 shares of Common Stock purchased on the open market which are not subject to this Prospectus.

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Because the Company does not know how many Shares may be sold by the Selling Stockholders pursuant to this Prospectus, no estimate can be given as to the number of the Shares that will be held by the Selling Stockholders upon termination of this offering.

DESCRIPTION OF CAPITAL STOCK

The authorized capital stock of Zapata consists of 165,000,000 shares of Common Stock, 2,000,000 shares of Preferred Stock, of which the \$6 Preferred Stock is the only series outstanding, and 18,000,000 shares of Preference Stock, of which the \$2 Preference Stock is the only series with shares outstanding. As of February 16, 1994 (assuming the issuance of 300,000 shares of Common Stock issuable on the conversion of 3,000 shares of \$100 Preference Stock, if and when issued), 158,602,958 shares of Common Stock, 44,943 shares of \$6 Preferred Stock and 2,637 shares of \$2 Preference Stock were outstanding. The following description of the capital stock of Zapata does not purport to be complete and is subject to, and qualified in its entirety by reference to, the more complete descriptions thereof set forth in (i) the Certificate of Incorporation, as amended, (ii) the Certificate of Designation, Preferences and Rights of the \$6 Preferred Stock (iii) the Certificate of Designations of the \$100 Convertible Preference Stock (the "\$100 Preference Stock") and (iv) the By-Laws.

COMMON STOCK

The holders of Common Stock are entitled to one vote per share, voting with the holders of any other class of stock entitled to vote, without regard to class, on all matters to be voted on by the stockholders of Zapata, including the election of directors. All issued and outstanding shares of Common Stock are fully paid and nonassessable. The Common Stock, including the Shares, is currently listed on the NYSE.

Subject to the prior and superior rights of the Preferred Stock and the prior and superior rights, if any, of any series of the Preference Stock, the holders of Common Stock are entitled to receive dividends when, as and if declared by the Board of Directors from funds legally available therefor. So long as any shares of Preferred Stock or Preference Stock are outstanding, Zapata may not pay or declare any dividends, whether in cash, stock or otherwise, or make any distribution on the Common Stock, or purchase or retire or otherwise acquire for a consideration any shares of Common Stock, unless (a) all dividends on the Preferred Stock of all series for all past quarterly dividend periods shall have been paid or declared and a sum sufficient for the payment there set apart and the full dividends for the then current quarterly dividend period have been paid or declared and (b) all dividends on the Preference Stock of all series for all past dividend periods and the current quarterly dividend period shall have been paid or declared and a sum sufficient for the payment thereof set apart if and to the extent that the Certificate of Incorporation or a designating resolution adopted by the Board of Directors (a "Designating Resolution") grants such series preferential dividend rights with respect to the Common Stock. The \$2 Preference Stock has such rights that are prior and superior to the Common Stock only with respect to the then current quarterly dividend period.

In the event of any liquidation, dissolution or winding up of the affairs of Zapata, the holders of the Common Stock are entitled to receive, pro rata, any assets of Zapata remaining after payment has been made in full (a) to the holders of the Preferred Stock of the liquidation price established for such

stock, plus an amount equal to any dividends accrued thereon and unpaid to the payment date, and (b) to the holders of the Preference Stock of each series of the liquidation price, if any, established for such series, plus if so provided in the Certificate of Incorporation or the applicable Designating Resolution, an amount equal to any dividends accrued thereon and unpaid to the payment date for which the holders of stock of such series shall have rights that are in such instances prior and superior to those of the holders of the Common Stock. The holders of the Preference Stock are entitled to receive only the liquidation price established therefor prior to such a distribution to the holders of the Common Stock.

PREFERRED STOCK

The Preferred Stock may be issued in one or more series, consisting of (i) the \$6 Preferred Stock and (ii) such other series as may be established and designated from time to time by the Board of Directors. The Certificate of Incorporation authorizes the Board of Directors to establish and designate any unissued shares of Preferred Stock as a

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new series of such stock with such rights and preferences as are provided in the Certificate of Incorporation or, to the extent not stated therein, adopted by resolution of the Board of Directors. If any such Preferred Stock were issued, it would rank senior to the Common Stock and the Preference Stock with respect to dividends and liquidation rights and would rank on a parity with each other share of Preferred Stock.

No dividends may be declared or paid or set apart for payment for the Preferred Stock of any series unless at the same time a dividend in like proportion to the accrued and unpaid dividends upon the Preferred Stock of each other series is declared or paid or set apart for payment, as the case may be, on Preferred Stock of each other series then outstanding. So long as any shares of Preferred Stock are outstanding, Zapata may not pay or declare any dividends, whether in cash, stock or otherwise, or make any distribution on the Common Stock or any other class of stock ranking junior to the Preferred Stock in respect of dividends or distribution of assets upon liquidation, or purchase or retire or otherwise acquire for a consideration any shares of stock ranking junior to the Preferred Stock in respect of dividends or assets, unless all dividends on the Preferred Stock of all series for all past quarterly dividend periods shall have been paid or declared and a sum sufficient for the payment thereof set apart, and the full dividends thereon for the then current quarterly dividend period shall have been paid or declared.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of Zapata, holders of Preferred Stock are entitled to receive the liquidation price established for such stock, plus an amount equal to any dividends accrued and unpaid to the payment date, before any distribution is made to the holders of Preference Stock, Common Stock or any other class of stock or series thereof ranking junior to the outstanding Preferred Stock with respect to the payment of dividends or distribution of assets. The holders of all series of Preferred Stock are entitled to share ratably, in accordance with the respective amounts payable thereon, in any such distribution which is not sufficient to pay in full the aggregate of the amounts payable thereon.

The holders of Preferred Stock are entitled to one vote per share, voting with the holders of any other class of stock entitled to vote, without regard to class, on all matters to be voted on by the stockholders of Zapata, including the election of directors. The holders of Preferred Stock have special voting rights with respect to certain matters affecting the powers, preferences and privileges of the Preferred Stock of each respective series.

\$6 Preferred Stock

The Company has issued its \$6 Preferred Stock, which ranks on a parity

with each other share of Preferred Stock, irrespective of series, and senior to all Preference Stock and Common Stock. As of the date of this Prospectus, 44,943 shares of \$6 Preferred Stock are outstanding. The holders of the \$6 Preferred Stock are entitled to receive, when, as and if declared by the Board of Directors out of funds legally available therefor, cumulative preferential dividends at the rate of \$9.00 per annum, payable quarterly on January 1, April 1, July 1 and October 1 of each year. All accumulated dividend arrearages have been paid with respect to the \$6 Preferred Stock. In the event of voluntary or involuntary liquidation, dissolution or winding up of Zapata, the holders of the \$6 Preferred Stock are entitled to receive the liquidation price of \$100 per share, plus an amount equal to any dividends accrued and unpaid to the payment date, before any distribution is made to the holders of Preference Stock, Common Stock or any other class of stock or series thereof ranking junior to the outstanding Preferred Stock with respect to the payment of dividends or distribution of assets. Zapata may, at its option, redeem the \$6 Preferred Stock in whole or in part at any time or from time to time at a price of \$100 per share, plus dividends accrued and unpaid to the date of redemption. Any redemption of fewer than all of the outstanding shares of \$6 Preferred Stock will be pro rata. No more than 22,500 shares of \$6 Preferred Stock may be redeemed in any one calendar year. The \$6 Preferred Stock has no conversion rights.

PREFERENCE STOCK

The Preference Stock may be issued in one or more series, consisting of (i) \$2 Preference Stock, (ii) \$100 Preference Stock and (iii) such other series as may be established and designated from time to time by the Board of Directors. The rights and preferences of the \$2 Preference Stock and the \$100 Preference Stock are fixed and determined by the Certificate of Incorporation. The Board of Directors is authorized to establish and designate any unissued shares of Preference Stock as additional shares of any existing series of such stock or as a new series of such stock with such voting, dividend, redemption, conversion, liquidation and other provisions as are provided in the

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Certificate of Incorporation or, to the extent not stated therein, adopted by resolution of the Board of Directors. As of the date of this Prospectus, 2,637 shares of \$2 Preference Stock were outstanding. No other shares of Preference Stock are outstanding as of the date of this Prospectus.

Subject to the prior rights of the holders of any outstanding Preferred Stock, the holders of the Preference Stock of each series shall be entitled to receive dividends, when, as and if declared by the Board of Directors, out of any funds legally available therefor. Zapata, at the option of the Board of Directors, may redeem the Preference Stock of any series, at the time or times and at the price or prices fixed for such series, upon notice duly given as hereinafter provided.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of Zapata, holders of Preference Stock are entitled to receive such rights as may be fixed for the series. The holders of all series of Preference Stock are entitled to share ratably, in accordance with the respective amounts payable thereon, in any such distribution which is not sufficient to pay in full the aggregate of the amounts payable thereon. The holders of Preference Stock have special voting rights with respect to certain matters affecting the powers, preferences and privileges of the Preference Stock of each respective series.

\$2 Preference Stock

The \$2 Preference Stock ranks senior to Common Stock and junior to Preferred Stock with respect to dividends and liquidation rights. Subject to the prior and superior rights of the Preferred Stock, the holders of the \$2 Preference Stock are entitled to receive, when, as and if declared by the Board of Directors, noncumulative cash dividends payable quarterly on January 1, April 1, July 1 and October 1 at the annual rate of \$2.00 per share from funds legally

available therefor. So long as any \$2 Preference Stock remains outstanding, no dividend may be declared or paid upon or set apart for any class of stock or series thereof ranking junior to the \$2 Preference Stock in the payment of dividends, nor may any shares of any class of stock or series thereof ranking junior to the \$2 Preference Stock in payment of dividends be redeemed or purchased by Zapata or any subsidiary thereof, nor may any moneys be paid to or made available for a sinking fund for the redemption or purchase of any shares of any class of stock or series thereof ranking junior to the \$2 Preference Stock in payment of dividends, unless in each instance dividends on all outstanding shares of \$2 Preference Stock for the then current quarterly dividend period have been paid or declared and sufficient funds set aside for the payment thereof.

No dividend may be declared on any share or shares of any other series of Preference Stock or any other class of stock or series thereof ranking on a parity with the \$2 Preference Stock in respect of payment of dividends unless there has been declared on all shares then outstanding of the \$2 Preference Stock, for the same dividend period, or for the dividend period of the \$2 Preference Stock terminating within the dividend period of such parity stock, like proportionate dividends, ratably, in proportion to the \$2 Preference Stock and such parity stock. No shares of any other series of Preference Stock or of any such other class or series ranking on a parity with the \$2 Preference Stock in respect of payment of dividends may be redeemed or purchased by Zapata or any subsidiary thereof, nor may any moneys be paid to or made available for a sinking fund for any such redemption or purchase unless dividends at the fixed rate for the \$2 Preference Stock for the then current dividend period have been paid or declared and sufficient funds set aside for payment thereof.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of Zapata, after payment of the debts and other liabilities of Zapata and any preferential amounts due to holders of Preferred Stock, the holders of the \$2 Preference Stock are entitled to receive a liquidation price of \$30 per share before any distribution may be made to the holders of Common Stock or any other class of stock or series thereof ranking junior to the \$2 Preference Stock with respect to the distribution of assets.

In addition to their right to vote with the holders of any other class of stock entitled to vote, without regard to class, on all matters to be voted on by the stockholders of Zapata, including the election of directors, the holders of the \$2 Preference Stock have special voting rights with respect to certain matters affecting the powers, preferences and privileges of such stock. The Certificate of Incorporation provides that the number of directors constituting the Board of Directors will be increased by two, and the holders of the \$2 Preference Stock will have, in addition to their other voting rights, the exclusive right, voting separately as one class, to elect two directors to fill such newly created

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directorships if at any time the equivalent of six or more full quarterly dividends (whether or not consecutive) payable on such stock is in default. This right remains vested until dividends on the \$2 Preference Stock have been paid for at least four consecutive quarters since the vesting of such right, at which time it will terminate, subject to revesting.

Each share of the \$2 Preference Stock is currently convertible into 10.52 shares of Common Stock upon surrender to the Company's transfer agent by the holder of the certificates representing the shares to be converted with the form of written request for conversion duly endorsed thereupon. Zapata is not required to issue fractional shares in connection with any such conversion but may make cash payments equal to the market value of such fractional shares. Subject to the prior rights of the holders of any outstanding Preferred Stock, Zapata has the right, at its option, to redeem at any time all or part of the shares of the \$2 Preference Stock outstanding, upon payment in cash of \$80 per share.

\$100 Preference Stock

No shares of \$100 Preference Stock are outstanding as of the date of this Prospectus. A total of \$300,000 principal amount of the Senior Convertible Notes currently are convertible into 3,000 shares of \$100 Preference Stock. Each share of \$100 Preference Stock is automatically converted, upon transfer to a person which is not an affiliate of Norex, into 100 shares of Common Stock, subject to adjustment upon the occurrence of certain events. If the stockholders of Zapata approve an amendment to the Certificate of Incorporation to be presented at Zapata's 1994 Annual Meeting of Stockholders which would sufficiently increase the number of Zapata's authorized shares of Common Stock to permit the conversion of all of the \$100 Preference Stock into Common Stock, an additional \$14,700,000 aggregate principal amount of the Senior Convertible Notes will become convertible into an additional 147,000 shares of \$100 Preference Stock.

The holders of the \$100 Preference Stock are entitled to receive, when, as and if declared by the Board of Directors of Zapata, cumulative cash dividends payable quarterly on January 1, April 1, July 1 and October 1 of each year, at the annual rate of \$1.00 per share. Dividends on any shares of \$100 Preference Stock are cumulative from the date of original issuance and accrue whether or not earned or declared. All dividends are payable in cash. So long as any \$100 Preference Stock remains outstanding, no dividend may be declared or paid upon or set apart for any class of stock or series thereof ranking junior to the \$100 Preference Stock in the payment of dividends, nor may any shares of any class of stock or series thereof ranking junior to the \$100 Preference Stock in payment of dividends be redeemed or purchased by Zapata or any subsidiary thereof, nor may any moneys be paid to or made available for a sinking fund for the redemption or purchase of any shares of any class of stock or series thereof ranking junior to the \$100 Preference Stock in payment of dividends, unless in each instance dividends on all outstanding shares of \$100 Preference Stock for the then current annual dividend period have been paid, or declared and sufficient funds set aside for the payment thereof.

No dividend may be declared on any share or shares of any other series of Preference Stock or of any other class of stock or series thereof ranking on a parity with the \$100 Preference Stock in respect of payment of dividends unless there has been declared on all shares then outstanding of the \$100 Preference Stock, for the same dividend period, or for the dividend period of the \$100 Preference Stock terminating within the dividend period of such parity stock, like proportionate dividends, ratably, in proportion to the \$100 Preference Stock and such parity stock. No shares of any other series of Preference Stock or of any such other class or series ranking on a parity with the \$100 Preference Stock in respect of payment of dividends may be redeemed or purchased by Zapata or any subsidiary thereof nor may any moneys be paid to or made available for a sinking fund for any such redemption or purchase unless dividends at the rate fixed hereby for the \$100 Preference Stock for the then current dividend period have been paid or declared and sufficient funds set aside for payment thereof.

In the event of any voluntary or involuntary dissolution, liquidation or winding up of the affairs of Zapata, after payment or provision for payment of the debts and other liabilities of Zapata and any preferential amounts due to holders of Preferred Stock, the holders of the \$100 Preference Stock are entitled to receive \$100 per share plus accumulated and unpaid dividends thereon, before any distribution shall be made to the holders of the Common Stock or any other class of stock or series thereof ranking junior to the \$100 Preference Stock with respect to the distribution of assets.

No payment on account of such dissolution, liquidation or winding up of the affairs of Zapata may be made to the holders of any class or series of stock ranking on a parity with the \$100 Preference Stock in respect to the distribution of assets, unless there is paid at the same time to the holders of the \$100 Preference Stock like distributive amounts, in proportion to the full distributive amounts to which they and the holders of such parity stock are respectively entitled with respect to such preferential distribution.

Subject to the prior rights of the holders of any outstanding Preferred Stock, Zapata has the right, at its option and by resolution of its Board of Directors, to redeem at any time after May 1, 1996, all or part of the shares of \$100 Preference Stock outstanding, upon payment in cash in respect of each share redeemed of \$100 plus accrued and unpaid dividends thereon to the date fixed for redemption.

So long as any shares of \$100 Preference Stock are outstanding, Zapata may not, by amendment to the Certificate of Incorporation or By-Laws or by merger or consolidation or in any other manner authorize or increase any class of stock ranking prior to the \$100 Preference Stock either as to the payment of dividends or distribution of assets upon liquidation, or authorize or create or issue any security convertible into or evidencing the right to purchase any such stock ranking prior to the \$100 Preference Stock, or change the preferences, powers, rights or limitations with respect to the \$100 Preference Stock, so as to affect adversely the rights, powers or preferences of the \$100 Preference Stock, without the affirmative vote of the holders of at least two-thirds of the \$100 Preference Stock at the time outstanding. Except as set forth in the preceding sentence, the holders of the \$100 Preference Stock have no voting rights.

Shares of the \$100 Preference Stock may be converted into Common Stock under certain circumstances at a conversion rate of 100 shares of Common Stock per one share of \$100 Preference Stock, subject to the availability of authorized but unissued shares of Common Stock for such conversion and subject to adjustment upon the occurrence of certain events. Zapata from time to time may increase the conversion rate (i.e., increase the number of shares of Common Stock exchangeable for one share of \$100 Preference Stock) provided certain conditions are met.

If Zapata consolidates with or merges into any other corporation, provisions shall be made as part of the terms of such consolidation or merger whereby each share of the \$100 Preference Stock outstanding immediately prior to such event shall thereafter be convertible into the number of shares of Common Stock or other securities or property to which a holder of a number of shares of Common stock deliverable upon conversion of such share of the \$100 Preference Stock would have been entitled upon such consolidation or merger.

Any shares of \$100 Preference Stock which have been acquired by Zapata through redemption or otherwise will assume the status of authorized but unissued Preference Stock and may not be reissued as shares of the \$100 Convertible Preference Stock.

CERTAIN PROVISIONS OF THE CERTIFICATE OF INCORPORATION, BY-LAWS AND DELAWARE LAW

No stockholder of Zapata has any preemptive or preferential right to purchase or subscribe to any shares of any class of Zapata by reason of his holding shares of any class. Cumulative voting in the election of directors is not permitted. The Certificate of Incorporation divides the Board of Directors of Zapata into three classes as nearly equal in number as possible, with one class of directors to be elected each year for a term ending with the third succeeding annual meeting of stockholders. The By-Laws provide that the number of directors is eight. The By-Laws may be amended by the affirmative vote of the holders of at least 80% of Zapata's outstanding voting stock or by the affirmative vote of seven of the eight members on the Board of Directors.

The Certificate of Incorporation requires the affirmative vote of the holders of at least 80% of the outstanding voting stock of Zapata entitled to vote in elections of directors to approve any of the following transactions involving Zapata and any entity that beneficially owns at least 5% of Zapata's voting stock (a "Five Percent Owner"): (i) a merger or consolidation, (ii) any sale or lease of all or any substantial part of the assets of Zapata or (iii) any sale or lease to Zapata or any subsidiary thereof of any assets having an aggregate fair market value of at least \$2 million in exchange for voting securities (or securities convertible into voting securities or options, warrants or rights to purchase voting securities or securities convertible into

voting securities) of Zapata or any of its subsidiaries. The foregoing

requirements do not apply if the Board of Directors has approved a memorandum of understanding with respect to such transaction before the time that the Five Percent Owner acquired his 5% interest or if the transaction is between Zapata and a subsidiary.

The foregoing provisions respecting transactions with Five Percent Owners, the classification of directors and voting requirements for an amendment to the By-Laws may not be amended without the affirmative vote of the holders of 80% of the outstanding voting stock of Zapata. These provisions may deter any potential unfriendly offers or other efforts to obtain control of Zapata that are not approved by the Board of Directors and could thereby deprive the stockholders of opportunities to realize a premium on their stock and could make the removal of management more difficult. On the other hand, these provisions may induce any persons seeking control of Zapata or a business combination with Zapata to negotiate terms acceptable to the Board of Directors.

The By-Laws provide that the affirmative vote of seven of the eight members of the Board of Directors shall be required in order to: (i) alter, amend or repeal the By-Laws; (ii) issue or adopt an agreement or plan for the issuance of, any stock, rights or other securities (including, without limitation, securities convertible into or exchangeable or exercisable for stock of Zapata) to the stockholders or any class thereof generally, any term of which is contingent upon or effective upon the acquisition by any person of any of or all of Zapata's stock or upon any other action by any person with respect to such stock; (iii) create any committee of the Board of Directors; (iv) fill any vacancies on the Board of Directors or any committee thereof created by the death, resignation or removal of Malcolm Glazer or Avram Glazer; or (v) act to remove Malcolm Glazer or Avram Glazer from any committee of the Board of Directors.

In addition, Zapata has an aggregate of approximately 20 million authorized shares of Common Stock, Preferred Stock and Preference Stock unreserved and available for issuance. There are no present arrangements, understandings or plans regarding the issuance of such stock. Under certain circumstances, any authorized shares which are not issued or reserved for issuance could be used to create voting impediments or to frustrate persons seeking to effect a take over or otherwise gain control of Zapata. Such shares could be privately placed with purchasers who might side with the Board of Directors of Zapata in opposing a hostile takeover bid. Furthermore, allowing for authorized but unissued shares might be considered as having the effect of discouraging an attempt by another person or entity, through the acquisition of a substantial number of shares, to acquire control of Zapata with a view to imposing a merger, sale of all or any part of Zapata's assets or a similar transaction, because the issuance of new shares could be used to dilute the stock ownership of a person or entity seeking to obtain control of Zapata.

The Certificate of Incorporation limits the liability of directors of Zapata (in their capacity as directors but not in their capacity as officers) to Zapata or its stockholders to the fullest extent permitted by Delaware law. Specifically, directors of Zapata will not be personally liable for monetary damages for breach of a director's fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to Zapata or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, which relates to unlawful payments of dividends or unlawful stock repurchases or redemptions or (iv) for any transaction from which the director derived an improper personal benefit.

Zapata is a Delaware corporation and is subject to Section 203 of the Delaware General Corporation law. In general, Section 203 prevents an "interested stockholder" (defined generally as any person owning, or who is an affiliate or associate of the corporation and has owned in the preceding three years, 15% or more of a corporation's outstanding voting stock and affiliates

and associates of such person) from engaging in a "business combination" (as defined) with a Delaware corporation for three years following the date such person became an interested stockholder unless (i) before such person became an interested stockholder, the board of directors of the corporation approved either the business combination or the transaction in which the interested stockholder became an interested stockholder; (ii) upon consummation of the transaction that resulted in the stockholder's becoming an interest stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced (excluding stock held by directors who are also officers of the corporation and by employee stock plans that do not provide employees with the rights to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer); or (iii) on or subsequent to the date such person became an interested stockholder, the business combination is approved by the board of directors of the corporation and authorized at a meeting of stockholders by the affirmative vote of the holders of two-thirds of the outstanding voting stock of the corporation not

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owned by the interested stockholder. Under Section 203, the restrictions described above also do not apply to certain business combinations proposed by an interested stockholder following the announcement or notification of one of certain extraordinary transactions involving the corporation and a person who had not been an interested stockholder during the previous three years or who became an interested stockholder with the approval of a majority of the corporation's directors.

EXPERTS

The audited consolidated financial statements and schedules of the Company at September 30, 1993 and 1992 and for each of the three years in the period ended September 30, 1993, and the audited consolidated financial statements of Zapata Gulf Marine Corporation at September 30, 1991 and 1990 and for each of the three years in the period ended September 30, 1991 included in the Company's Annual Report on Form 10-K, which are incorporated into this Prospectus by reference, have been audited by Arthur Andersen & Co., independent public accountants, as indicated in their reports appearing therein, and are included herein in reliance upon the authority of said firm as experts in accounting and auditing in giving said reports.

The consolidated financial statements of Tidewater and its subsidiaries as of March 31, 1993 and 1992 and for each of the years in the three-year period ended March 31, 1993 included in the Company's Annual Report on Form 10-K, which are incorporated into this Prospectus by reference, have been audited by KPMG Peat Marwick, independent certified public accountants, and are included herein in reliance upon the authority of such firm as experts in accounting and auditing.

The estimates of proved reserves of oil and gas and related estimates of future net revenues and present value thereof as of September 30, 1993, 1992 and 1991 from the reports of Huddleston & Co., Inc., included in the Company's Annual Report on Form 10-K, are incorporated into this Prospectus by reference, and all such information has been so included in reliance on the authority of such firm as experts regarding the matters contained in their report.

LEGAL OPINIONS

Certain legal matters in connection with the Common Stock offered hereby have been passed upon for the Company by Joseph L. von Rosenberg II, Esq., Associate General Counsel of the Company. Mr. von Rosenberg owns options to acquire 100,000 shares of Common Stock granted under Zapata's 1990 Stock Option Plan.

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 14. OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION

The estimated fees and expenses payable in connection with this offering, all of which are payable by the Company, are as follows:

Securities and Exchange Commission registration fee..	\$ 10,288
Printing and engraving expenses.....	130,000
Legal fees and expenses.....	120,000
Accounting fees and expenses.....	105,000
Blue sky fees and expenses.....	3,000
Miscellaneous.....	7,000

Total.....	\$375,288
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ITEM 15. INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 145 of the Delaware General Corporation Law and Article V of Zapata's By-Laws provide, in part, that Zapata shall have power to indemnify anyone made, or threatened to be made, a party to a threatened, pending or completed proceeding, whether civil or criminal, administrative or investigative, because he is or was a director, officer, employee or agent of the Company. In a suit brought to obtain a judgment by or in the right of the corporation, the corporation may indemnify for expenses, including attorneys' fees, actually and reasonably incurred in connection with the defense or settlement of the case; in any other type of proceeding, the indemnification may extend to judgments, fines and amounts paid in settlement, as well as to expenses, including attorneys' fees. In a civil proceeding, there can be no indemnification under the statute, unless it appears that the person seeking indemnification has acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interests of the corporation; in a criminal proceeding, the indemnitee must also have had no reasonable cause to believe that his conduct was unlawful. In addition, Zapata has the power to purchase and maintain insurance for such persons. The By-Laws and such statute also provide that the power to indemnify authorized thereby is not exclusive of any rights granted under any bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

Article Eleven of Zapata's Restated Certificate of Incorporation, as

amended, provides that no director of Zapata shall be liable to Zapata or any of its stockholders for monetary damages resulting from a breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law or (iv) for any transaction from which the director derived an improper personal benefit.

The foregoing discussion of Zapata's Restated Certificate of Incorporation, as amended, By-Laws and Section 145 of the Delaware General Corporation Law is not intended to be exhaustive and is qualified in its entirety by each of such documents and such statute.

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ITEM 16. EXHIBITS.

The exhibits indicated by an asterisk (*) are incorporated by reference. The exhibits indicated by a cross (+) were previously filed on a part of this Registration Statement.

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----
4(a)*	-- Restated Certificate of Incorporation of Zapata dated January 11, 1971, together with amendments dated February 15, 1972, April 30, 1981, and July 16, 1987 (Exhibit 19(a) to Zapata's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1987 (File No. 1-4219)).
4(b)*	-- Amendment dated December 10, 1990, to the Restated Certificate of Incorporation of Zapata (Exhibit 3(b) to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1990 (File No. 1-4219)).
4(c)*	-- Certificate of Designation, Preferences and Rights of \$1 Preference Stock (Exhibit 3(c) to Zapata's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1993 (File No. 1-4219)).
4(d)*	-- Certificate of Designation, Preferences and Rights of \$100 Preference Stock (Exhibit 3(d) to Zapata's quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1993 (File No. 1-4219)).
4(e)*	-- By-Laws of Zapata, as amended effective July 1, 1993. (Exhibit 3(a) to Zapata's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1993 (File No. 1-4219)).
4(f)*	-- Second Amended and Restated Master Restructuring Agreement, dated as of April 16, 1993 between Zapata and Norex Drilling Ltd. (Exhibit 12 to Zapata's Amendment No. 3 to Schedule 13D dated April 30, 1993).
4(g)*	-- First Amendment to Second Amended and Restated Master Restructuring Agreement dated as of May 17, 1993 between Zapata and Norex Drilling, Ltd. (Exhibit 4(c) to Zapata's Registration Statement on Form S-1 (No. 33-68034)).
4(h)*	-- Second Amendment to Second Amended And Restated Master Restructuring Agreement dated as of December 17, 1993 between

Zapata and Norex Drilling, Ltd. (Exhibit 4(c) to Zapata's Annual Report on Form 10-K for the fiscal year ended September 30, 1993 (File No. 1-4219)).

Certain instruments respecting long-term debt of Zapata and its subsidiaries have been omitted pursuant to Regulation S-K, Item 601. Zapata hereby agrees to furnish a copy of any such instrument to the Commission upon request.

- 4(i)* -- Securities Liquidity Agreement, dated as of December 19, 1990, by and among Zapata and each of the securities holders parties thereto (Exhibit 4(b) to Zapata's Annual Report on Form 10-K for the fiscal year ended September 30, 1990 (File No. 1-4219)).
- 5+ -- Opinion of Joseph L. von Rosenberg III, Esq.
- 23(a) -- Consent of Huddleston & Co., Inc.
- 23(b) -- Consent of Arthur Andersen & Co.
- 23(c) -- Consent of Arthur Andersen & Co. with respect to the consolidated financial statements of Zapata Gulf Marine Corporation.

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- 23(d) -- Consent of KPMG Peat Marwick with respect to the consolidated financial statements of Tidewater.
- 24+ -- Powers of attorney.

ITEM 17. UNDERTAKINGS

(a) The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the Registration Statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the Registration Statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the Registration Statement or any material change to such information in the Registration Statement;

provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) do not apply if the registration statement is on Form S-3 or Form S-8, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the

registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to section 13(a) or section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of

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appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

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SIGNATURES

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THE REGISTRANT CERTIFIES THAT IT HAS REASONABLE GROUNDS TO BELIEVE THAT IT MEETS THE REQUIREMENTS FOR FILING ON FORM S-3 AND HAS DULY CAUSED THIS REGISTRATION STATEMENT TO BE SIGNED ON BEHALF OF THE UNDERSIGNED, THEREUNTO DULY AUTHORIZED, IN THE CITY OF HOUSTON, STATE OF TEXAS, ON FEBRUARY 18, 1994.

ZAPATA CORPORATION

By: THOMAS H. BOWERSOX

Thomas H. Bowersox

Executive Vice President

PURSUANT TO THE REQUIREMENTS OF THE SECURITIES ACT OF 1933, THIS REGISTRATION STATEMENT HAS BEEN SIGNED BY THE FOLLOWING PERSONS IN THE

CAPACITIES AND ON THE DATES INDICATED.

SIGNATURE -----	TITLE -----	DATE -----
R. C. LASSITER ----- (R. C. Lassiter)	Chairman and Chief Executive Officer (Principal Executive Officer)	February 18, 1994
MARVIN J. MIGURA ----- (Marvin J. Migura)	Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 18, 1994
AVRAM A. GLAZER* MALCOLM I. GLAZER* B. JOHN MACKIN* KRISTIAN SIEM* JACK T. TROTTER* DANIEL P. WHITTY* PETER M. HOLT*	Directors	February 18, 1994

*By MARVIN J. MIGURA

(Marvin J. Migura,
Attorney-in-Fact)

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INDEX TO EXHIBITS

EXHIBIT NUMBER -----	DESCRIPTION OF EXHIBIT -----	SEQUENTIALLY NUMBERED PAGES -----
4(a) *	-- Restated Certificate of Incorporation of Zapata dated January 11, 1971, together with amendments dated February 15, 1972, April 30, 1981, and July 16, 1987 (Exhibit 19(a) to Zapata's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1987 (File No. 1-4219)).	
4(b) *	-- Amendment dated December 10, 1990, to the Restated Certificate of Incorporation of Zapata (Exhibit 3(b) to the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 1990 (File No. 1-4219)).	
4(c) *	-- Certificate of Designation, Preferences and Rights of \$1 Preference Stock (Exhibit 3(c) to Zapata's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1993	

(File No. 1-4219)).

- 4(d)* -- Certificate of Designation, Preferences and Rights of \$100 Preference Stock (Exhibit 3(d) to Zapata's quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1993 (File No. 1-4219)).
- 4(e)* -- By-Laws of Zapata, as amended effective July 1, 1993. (Exhibit 3(a) to Zapata's Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 1993 (File No. 1-4219)).
- 4(f)* -- Second Amended and Restated Master Restructuring Agreement, dated as of April 16, 1993 between Zapata and Norex Drilling Ltd. (Exhibit 12 to Zapata's Amendment No. 3 to Schedule 13D dated April 30, 1993).
- 4(g)* -- First Amendment to Second Amended and Restated Master Restructuring Agreement dated as of May 17, 1993 between Zapata and Norex Drilling, Ltd. (Exhibit 4(c) to Zapata's Registration Statement on Form S-1 (No. 33-68034)).
- 4(h)* -- Second Amendment to Second Amended And Restated Master Restructuring Agreement dated as of December 17, 1993 between Zapata and Norex Drilling, Ltd. (Exhibit 4(c) to Zapata's Annual Report on Form 10-K for the fiscal year ended September 30, 1993 (File No. 1-4219)).

Certain instruments respecting long-term debt of Zapata and its subsidiaries have been omitted pursuant to Regulation S-K, Item 601. Zapata hereby agrees to furnish a copy of any such instrument to the Commission upon request.

- 4(i)* -- Securities Liquidity Agreement, dated as of December 19, 1990, by and among Zapata and each of the securities holders parties thereto (Exhibit 4(b) to Zapata's Annual Report on Form 10-K for the fiscal year ended September 30, 1990 (File No. 1-4219)).
- 5+ -- Opinion of Joseph L. von Rosenberg III, Esq.
- 23(a) -- Consent of Huddleston & Co., Inc.
- 23(b) -- Consent of Arthur Andersen & Co.
- 23(c) -- Consent of Arthur Andersen & Co. with respect to the consolidated financial statements of Zapata Gulf Marine Corporation.

23(d) -- Consent of KPMG Peat Marwick with respect to
the consolidated financial statements of
Tidewater.

24+ -- Powers of attorney.

*These exhibits are incorporated by reference.

+Previously filed.

CONSENT OF INDEPENDENT PETROLEUM ENGINEERS

We hereby consent to the incorporation by reference in this post-effective amendment to the Registration Statement (File No. 33-68034) of our summary reserve report dated as of October 1, 1993, relating to the oil and gas reserves of Zapata Exploration Company, a wholly-owned subsidiary of Zapata Corporation, included in Zapata Corporation's Annual Report or Form 10-K for the year ending September 30, 1993. We also consent to references to us in such Registration Statement, including references to us as experts.

HUDDLESTON & CO., INC.

By: /s/ Peter D. Huddleston

Peter D. Huddleston, P.E.

President

Houston, Texas

February 18, 1994

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement (File No. 33-68034) of our reports dated December 17, 1993, included in Zapata Corporation's Form 10-K for the year ended September 30, 1993 and to all references to our firm in such Registration Statement.

ARTHUR ANDERSEN & CO.

Houston, Texas

February 17, 1994

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference in this Registration Statement (File No. 33-68034) of our report dated November 18, 1991, on the consolidated financial statements of Zapata Gulf Marine Corporation as of September 30, 1991 included in Zapata Corporation's Form 10-K for the year ended September 30, 1993 and to all references to our firm in such Registration Statement.

ARTHUR ANDERSEN & CO.

Houston, Texas

February 17, 1994

The Board of Directors

Tidewater Inc.

We consent to incorporation by reference in the Registration Statement on Form S-3 of Zapata Corporation of our report dated May 5, 1993, relating to the consolidated balance sheets of Tidewater Inc. and subsidiaries as of March 31, 1993 and 1992 and the related consolidated statements of operations, stockholders' equity and cash flows for each of the years in the three-year period ended March 31, 1993, which report appears in the September 30, 1993 annual report on Form 10-K of Zapata Corporation. Our report refers to changes in the methods of accounting for reinsuring of insurance contracts, for income taxes, and for post-retirement benefits other than pensions prescribed by statements of Financial Accounting Standards Nos. 113, 109, and 106, respectively.

KPMG Peat Marwick

New Orleans, Louisiana

February 17, 1994