



Zapata Corporation Announces Third Quarter Results

November 10, 2006

ROCHESTER, N.Y., Nov 09, 2006 (BUSINESS WIRE) -- Zapata Corporation (NYSE: ZAP) today announced its consolidated financial results for the third quarter ended September 30, 2006.

Zapata reported a consolidated net loss of \$5.8 million or \$.30 per share on consolidated revenues of \$52.1 million for the three months ended September 30, 2006 as compared to a consolidated net loss of \$9.2 million or \$0.48 per share on consolidated revenues of \$31.4 million for the three months ended September 30, 2005. On a consolidated basis, the net loss in the current quarter resulted primarily from an impairment charge recorded to reduce the carrying value of the Company's investment in Omega Protein Corporation (NYSE: OME) to fair value. As previously announced, on September 8, 2006, the Company entered into an agreement with Omega Protein which provides for the repurchase of shares of Omega common stock held by Zapata. Under this agreement, Omega has agreed to repurchase 9,268,292 Omega shares from Zapata for a purchase price of \$5.125 per share, or \$47.5 million in the aggregate, in cash. Management expects this transaction with Omega to close at the end of November 2006. For the three months ended September 30, 2005, the consolidated net loss resulted primarily from charges at Omega Protein related to hurricane losses, combined with the recognition of a loss for the then pending sale of Safety Components International, Inc. common stock.

Zapata reported a consolidated net loss of \$5.7 million or \$0.30 per share on consolidated revenues of \$113.7 million for the nine months ended September 30, 2006 as compared to a consolidated net loss of \$8.6 million or \$0.45 per share on consolidated revenues of \$82.8 million for the nine months ended September 30, 2005. For the nine months ended September 30, 2006, the consolidated net loss resulted from an impairment charge recorded to reduce the carrying value of the Company's investment in Omega to fair value, as discussed above. The consolidated net loss for the comparable period of the prior year resulted primarily from charges at Omega related to hurricane losses, combined with the recognition of a loss relating to the sale of Safety Components.

Omega Protein Corporation contributed approximately \$52.1 million in revenues and \$1.1 million in income to Zapata's consolidated results for the three months ended September 30, 2006 as compared to \$31.4 million in revenues and \$3.6 million in losses for the comparable period of the prior year. For the nine months ended September 30, 2006, Omega contributed approximately \$113.7 million in revenues and \$2.9 million in income to Zapata's consolidated results as compared to \$82.8 million in revenues and \$3.1 in losses for the comparable period of the prior year. Omega Protein's third quarter results, as well as the results for the first nine months of 2006, reflect higher sales prices and increased sales volumes, offset by higher costs of sales. The higher costs of sales were attributable to increased energy costs, abnormal repair costs and poor fish oil production yields.

About Zapata:

Zapata is a holding company which currently has one operating company, Omega Protein Corporation, in which the Company had a 57% ownership interest in at September 30, 2006. In addition, Zapata owns 98% of Zap.Com Corporation (OTCBB: ZPCM), which is a public shell company.

On September 8, 2006, Zapata announced that it had signed an agreement with Omega Protein for Omega Protein's repurchase of 9,268,292 shares of the 14,501,000 Omega Protein shares owned by Zapata for \$47.5 million, or \$5.125 per share, payable in immediately available funds. After the transaction, Zapata will continue to own 5,232,708 shares of Omega Protein common stock, or 33% of the company. Additionally, the agreement provides that if Zapata still owns any of Omega Protein's shares 270 days after the closing of this transaction, Omega Protein has the option for 120 days thereafter to purchase those shares held by Zapata at a purchase price of \$4.50 per share, payable in immediately available funds. Zapata is not restricted under the agreement from selling the remaining shares in the mean time.

In connection with Omega's repurchase of its shares from Zapata, Zapata has filed its Definitive Information Statement relating to that transaction with the SEC and commenced the mailing to its stockholders. The closing of the transaction is expected on or about November 27, 2006, subject to Omega's receipt of bring-down solvency opinions from its financial advisor and additional customary closing conditions. There can be no assurance, however, that the closing will occur or that it will not be delayed. In addition, there can be no assurance, that a satisfactory transaction to sell our remaining Omega Protein shares will emerge, the timing of any such transaction, if any, or whether the transaction will ultimately enhance Zapata stockholder value or how that value will be realized.

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

"Safe Harbor" statement under the Private Securities Litigation Reform Act of 1995: The statements contained in this release which are not historical facts are "forward-looking" statements that involve risks and/or uncertainties as described in Part II, Item 1A "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2006, as well as Part I, Item 1A., "Risk Factors" in the Company's Annual Report on Form 10-K for the period ended December 31, 2005. You are cautioned not to place undue reliance on any forward-looking statements. The Company's actual actions or results may differ materially from those expected or anticipated in the forward-looking statements. The Company does not undertake any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release.

ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands, Except Per Share Amounts)
September 30, December 31,
2006 2005

ASSETS		
Current assets:		
Cash and cash equivalents	\$ 90,072	\$ 103,373
Accounts receivable, net	21,484	24,170
Inventory	59,734	46,860
Prepaid expenses and other current assets	3,553	2,314
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Total current assets	174,843	176,717
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Other assets, net	34,088	23,652
Property, plant and equipment, net	89,993	93,985
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Total assets	\$ 298,924	\$ 294,354
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LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	\$ 2,426	\$ 2,443
Accounts payable	2,396	3,989
Accrued and other current liabilities	28,242	15,850
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Total current liabilities	33,064	22,282
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Long-term debt	25,823	27,658
Pension liabilities	10,341	11,810
Other liabilities and deferred taxes	395	983
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Total liabilities	69,623	62,733
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Minority interest	63,198	59,937
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par; 1,600,000 shares authorized; none issued or outstanding	--	--
Preference stock, \$.01 par; 14,400,000 shares authorized; none issued or outstanding	--	--
Common stock, \$.01 par, 132,000,000 shares authorized; 24,614,536 and 24,581,636 shares issued; and 19,182,456 and 19,149,556 shares outstanding, respectively	246	246
Capital in excess of par value	164,902	162,730
Retained earnings	37,377	45,127
Treasury stock, at cost, 5,432,080 shares	(31,668)	(31,668)
Accumulated other comprehensive loss	(4,754)	(4,751)
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Total stockholders' equity	166,103	171,684
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Total liabilities and stockholders' equity	\$ 298,924	\$ 294,354
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ZAPATA CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(In Thousands, Except Per Share Amounts)

Three Months Ended	Nine Months Ended
September 30,	September 30,
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	2006	2005	2006	2005
Revenues	\$52,089	\$ 31,418	\$113,730	\$ 82,759
Cost of revenues	44,748	24,032	94,061	68,500
Gross profit	7,341	7,386	19,669	14,259
Operating expense:				
Selling, general and administrative	4,100	4,738	14,633	13,567
Loss resulting from natural disaster	918	13,183	1,351	13,183
Impairment of long-lived assets	11,082	--	11,082	--
Total operating expenses	16,100	17,921	27,066	26,750
Operating loss	(8,759)	(10,535)	(7,397)	(12,491)
Other income (expense):				
Interest income	1,092	334	3,250	1,035
Interest expense	(498)	(337)	(1,550)	(845)
Other, net	12	(59)	80	149
	606	(62)	1,780	339
Loss before income taxes and minority interest	(8,153)	(10,597)	(5,617)	(12,152)
Benefit for income taxes	3,074	4,684	1,991	5,087
Minority interest in net income of consolidated subsidiaries	(762)	2,583	(2,090)	2,264
Net loss from continuing operations	(5,841)	(3,330)	(5,716)	(4,801)
Discontinued operations:				
Loss before taxes and minority interest (including loss on disposal)	--	(8,846)	--	(3,130)
Benefit for income taxes	--	3,368	--	511
Minority interest	--	(353)	--	(1,199)
Net loss from discontinued operations	--	(5,831)	--	(3,818)
Net loss to common stockholders	\$(5,841)	\$(9,161)	\$(5,716)	\$(8,619)
Net loss per common share - basic and diluted				
Loss from continuing operations	\$ (0.30)	\$ (0.17)	\$ (0.30)	\$ (0.25)
Loss from discontinued operations, net of income taxes and minority interest	--	(0.31)	--	(0.20)
Loss per common share - basic and diluted	\$(0.30)	\$(0.48)	\$(0.30)	\$(0.45)
Weighted average common shares outstanding:				
Basic and diluted	19,182	19,136	19,179	19,135

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SOURCE: Zapata Corporation

Zapata Corporation
Leonard DiSalvo, CFO, 585-242-8703
<http://www.zapatacorp.com>