



Zapata Reports First Quarter 2000 Results

May 16, 2000

ROCHESTER, N.Y.--(BUSINESS WIRE)--May 15, 2000--Zapata Corporation (NYSE: ZAP) today reported a net loss of \$2.7 million or \$0.11 a share on revenues of \$19.4 million for the three months ended March 31, 2000. This compares with net loss of \$612 thousand or \$0.03 a share on revenues of \$22.2 million for the comparable period a year earlier. The decline in revenue and net income was primarily due to the financial performance of Omega Protein Corporation (NYSE: OME), in which Zapata is a majority Stockholder, which was negatively impacted by depressed prices for its products generally resulting from low cyclical feed costs in world markets for protein meals and edible oils. In addition, Zapata's other majority owned subsidiary Zap.Com incurred greater costs associated with the start-up of its operations than in the first quarter of the 1999. (OTC BB: ZPCM).

Commenting on its holdings in Zap.Com, Avram Glazer, Chairman and Chief Executive Officer of Zapata, said, "although the implementation of Zap.Com's business cannot happen fast enough, especially in the Internet industry, I believe Zap.Com has gained significant ground. Zap.com is focused entirely on the future - a future in a global Internet marketplace whose limits are not yet visible. During the first quarter of 2000, Zap.Com successfully registered 20,000,000 shares of common stock which it plans to use to solicit web sites to join the ZapNetwork(SM). This is an important milestone for Zap.Com and will allow it to pursue the growth of the ZapNetwork."

Mr. Glazer continued, "in addition, our Word and Charged teams had a very exciting quarter that included the launch of 'Sissyfight 2000', the kick-off of the 'Charged 60 Second Film Festival', and initial reviews of the Word.com book 'Gig'. Developed by Word, 'Sissyfight 2000' at www.sissyfight.com is a multi-player game that links players from throughout the Internet in a game of cruel playground warfare where only the toughest and most conniving player doesn't find herself sobbing at the end of the game. The game has taken the Internet by storm, garnering rave reviews and a near 'cult following'. In addition, Word continued work on its book, 'Gig', an oral history of the contemporary workplace, with a much anticipated publishing expected in May of 2000."

"Not to be outdone," Mr. Glazer continued, "Charged.com launched the '60 Second Film Festival' that puts it at the forefront of the short-film revolution enabled by the Internet. The Festival caters to animators, filmmakers and videographers and challenges them to present their vision in just one minute and has attracted entrants and media attention from throughout the world."

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

(www.word.com), "Charged" (www.charged.com), "SISSYFIGHT 2000"

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

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

ZAPATA CORPORATION CONSOLIDATED BALANCE SHEET

| | December 31, 1999 | March 31, 2000 |
|--|----------------------|-------------------|
| | ---- | ---- |
| | | (unaudited) |
| | | ----- |

(\$ in thousands)

ASSETS

Current assets:

| | | |
|---|-----------|------------|
| Cash and cash equivalents | \$ 72,751 | \$ 108,689 |
| Short term investments | 44,370 | 11,090 |
| Receivables, net | 21,793 | 19,251 |
| Inventories, net | 46,112 | 40,081 |
| Production payment receivable, current | 1,673 | -- |
| Prepaid expenses and other current assets | 2,187 | 1,633 |

| | | |
|---|------------|------------|
| Total current assets | 188,886 | 180,744 |
| Investments and other assets: | | |
| Production payment, noncurrent and other receivables | -- | -- |
| Other assets | 19,876 | 20,372 |
| Total investments and other assets | 19,876 | 20,372 |
| Property and equipment, net | 91,052 | 93,101 |
| Total assets | \$ 299,814 | \$ 294,217 |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | |
|--------------------------------------|----------|----------|
| Current liabilities: | | |
| Current maturities of long-term debt | \$ 1,146 | \$ 1,168 |
| Accounts payable | 2,637 | 2,307 |
| Accrued liabilities | 14,977 | 11,620 |
| Total current liabilities | 18,760 | 15,095 |
| Long-term debt | 16,069 | 15,753 |
| Other liabilities and deferred taxes | 8,009 | 7,398 |
| Minority interest | 58,731 | 58,314 |
| Total liabilities | 101,569 | 96,560 |

Commitments and contingencies

| | | |
|--|------------|------------|
| Stockholders' equity: | | |
| Common Stock, (\$0.01 par), issued 30,679,028 on December 31, 1999; (\$0.25 par), issued: 30,667,178 shares on December 31, 1998 | 307 | 307 |
| Capital in excess of par value | 175,155 | 176,638 |
| Reinvested earnings, from October 1, 1990 quasi-reorganization | 65,377 | 62,703 |
| Treasury stock, at cost, 6,790,100 shares at December 31, 1999 and 1998 | (31,668) | (31,668) |
| Deferred consulting expense | (10,329) | (9,678) |
| Accumulated other comprehensive income | (597) | (645) |
| Total stockholders' equity | 198,245 | 197,657 |
| Total liabilities and stockholders' equity | \$ 299,814 | \$ 294,217 |

ZAPATA CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS

| | |
|--|------------------------------------|
| Three Months Ended March 31, | Three Months Ended March 31, |
| 1999 | 2000 |
| (in thousands except per share amounts) | |

| | | |
|--|-----------|------------|
| Revenues | \$ 22,162 | \$ 19,388 |
| Cost of revenues | 16,698 | 18,490 |
| | ----- | ----- |
| Gross profit | 5,464 | 898 |
| Operating Expenses: | | |
| Product Development | 830 | 523 |
| Selling, general and administrative | 2,003 | 4,219 |
| Consulting Expense | - | 2,135 |
| | ----- | ----- |
| Total Operating Expenses: | 2,883 | 6,877 |
| | ----- | ----- |
| Operating income (loss) | 2,631 | (5,979) |
| | ----- | ----- |
| Other income (expense): | | |
| Interest income | 1,891 | 1,677 |
| Interest income | (229) | (319) |
| Other expense (net) | (3,388) | (119) |
| | ----- | ----- |
| | (1,726) | 1,239 |
| | ----- | ----- |
| Income from continuing operations before income taxes | 905 | (4,740) |
| Benefit (Provision) for income taxes | (308) | 1,650 |
| Minority interest in net income (loss) of consolidated subsidiary | (1,209) | 417 |
| | ----- | ----- |
| Net income (loss) | (612) | (2,673) |
| | ----- | ----- |
| Other comprehensive income | - | (645) |
| | ----- | ----- |
| Total comprehensive income | \$ (612) | \$ (3,318) |
| | ===== | ===== |
| Per share data (basic): | | |
| Net income per share (basic) | (\$0.03) | (\$0.11) |
| | ===== | ===== |
| Average common shares outstanding | 23,877 | 23,877 |
| | ===== | ===== |

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