==

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

____

FORM 10-Q/A

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 1995

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______ to ______

COMMISSION FILE NUMBER: 1-4219

ZAPATA CORPORATION
(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

STATE OF DELAWARE	C-74-1339132
(STATE OR OTHER JURISDICTION OF INCORPORATION OR ORGANIZATION)	(I.R.S. EMPLOYER IDENTIFICATION NO.)

1717 ST. JAMES PLACE, SUITE 550 HOUSTON, TEXAS	77056
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES)	(ZIP CODE)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (713) 940-6100

____

INDICATE BY CHECK MARK WHETHER THE REGISTRANT (1) HAS FILED ALL REPORTS REQUIRED TO BE FILED BY SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 DURING THE PRECEDING 12 MONTHS (OR FOR SUCH SHORTER PERIOD THAT THE REGISTRANT WAS REQUIRED TO FILE SUCH REPORTS), AND (2) HAS BEEN SUBJECT TO SUCH FILING REQUIREMENTS FOR THE PAST 90 DAYS.
YES [x] NO[ ].

NUMBER OF SHARES OUTSTANDING OF THE REGISTRANT'S COMMON STOCK, PAR VALUE $0.25 PER SHARE, ON DECEMBER 18, 1996: 29,548,707.

==

PART I. FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS

Zapata Corporation

ZAPATA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEET
(in thousands)

ASSETS	DECEMBER 31, 1995	SEPTEMBER 30, 1995
Current assets:		
Cash and cash equivalents	$102,075	$ 2,488
Receivables	9,992	17,550
Inventories:		
Fish products	19,353	22,947
Materials, parts and supplies	3,244	3,358
Prepaid expenses and other current assets	3,043	2,400
Net assets of discontinued operations	21,475	101,894
Total current assets	159,182	150,637
Investments and other assets:		
Notes receivable	8,864	8,864
Investments in unconsolidated affiliates	18,271	18,235
Deferred income taxes	4,585	6,247
Other assets	16,145	16,170
	47,865	49,516
Property and Equipment	74,958	74,275
Accumulated depreciation	(35,810)	(35,037)
	39,148	39,238
Total assets	$246,195	$239,391
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 8,357	$ 16,148
Accounts payable and accrued liabilities	24,801	20,953
Total current liabilities	33,158	37,101
Long-term debt	34,179	37,468
Other liabilities	19,293	19,532
Stockholders' equity:		
Preference stock	3	3
Common stock	7,387	7,387
Capital in excess of par value	131,962	131,962
Reinvested earnings from October 1, 1990	20,213	5,938
	159,565	145,290
Total liabilities and stockholders' equity	$246,195	$239,391

The accompanying notes are an integral part of the financial statements

ZAPATA CORPORATION
CONDENSED CONSOLIDATED INCOME STATEMENT
(in thousands, except per share amounts)

	THREE MONTHS ENDED DECEMBER 31, 1995	THREE MONTHS ENDED DECEMBER 31, 1994
Revenues	$23,942	$22,357
Expenses:		
Operating	19,235	18,593
Depreciation, depletion and amortization	775	1,679
Selling, general and administrative	1,565	1,774
	21,575	22,046
Operating income	2,367	311
Other income (expense):		
Interest income	279	258
Interest expense	(1,010)	(640)
Equity in loss of unconsolidated affiliate	(719)	---
Other	126	527
	(1,324)	145
Income from continuing operations before income taxes	1,043	456
Provision for income taxes		
State	87	33
Federal	334	148
	421	181
Income from continuing operations	622	275
Discontinued operations:		
Income (loss) from discontinued operations, net of income taxes	(42)	473
Gain on disposal of Energy Industries, net of income taxes	13,228	---
	13,186	473
Income before cumulative effect of change in accounting principle	13,808	748
Cumulative effect of change in accounting principle, net of income taxes	467	---
Net income	14,275	748
Preferred stock dividends	---	51
Net income to common stockholders	$14,275	$ 697
Per share data:		
Income from continuing operations	$ .02	$ .01
Income from discontinued operations	.44	.01
Cumulative effect of change in accounting principle	.02	---
Net income per share	$ .48	$ .02
Average common shares and equivalents outstanding	29,566	31,785

The accompanying notes are an integral part of the financial statements

ZAPATA CORPORATION
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(in thousands)

	THREE MONTHS ENDED DECEMBER 31,	
	1995	1994
Cash flow provided (used) by operating activities:		
Net income	$ 14,275	$ 748
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation and amortization	775	1,679
Gain on sale of assets	---	(457)
Cumulative effect of change in accounting principle, net of income taxes	(467)	---
Gain on sale of discontinued operations assets, net of income taxes	(13,228)	---
Equity in loss of unconsolidated affiliate	719	---
Changes in other assets and liabilities	4,579	(7,431)
Total adjustments	(7,622)	(6,209)
Net cash provided (used) by operating activities	6,653	(5,461)
Cash flow provided (used) by investing activities:		
Proceeds from dispositions	104,689	1,777
Proceeds from note receivable	---	920
Capital expenditures	(675)	(1,060)
Net cash provided by investing activities	104,014	1,637
Cash flow used by financing activities:		
Repayments of long-term obligations, net	(11,080)	(105)
Preferred stock redemption and common stock buy-backs	---	(2,758)
Dividend payments	---	(1,153)
Net cash used by financing activities	(11,080)	(4,016)
Net increase (decrease) in cash and cash equivalents	99,587	(7,840)
Cash and cash equivalents at beginning of period	2,488	9,717
Cash and cash equivalents at end of period	$102,075	$ 1,877

The accompanying notes are an integral part of the financial statements.

ZAPATA CORPORATION
NOTES TO FINANCIAL STATEMENTS

NOTE 1. FINANCIAL STATEMENTS

The condensed consolidated financial statements included herein have been prepared by Zapata Corporation ("Zapata" or the "Company"), without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary to fairly present such information. All such adjustments are of a normal recurring nature. Although Zapata believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including significant accounting policies, normally included in financial statements prepared in accordance with generally accepted accounting principles, have been condensed or omitted pursuant to such rules and regulations. These condensed financial statements should be read in conjunction with the financial statements and the notes thereto included in Zapata's latest annual report on Form 10-K.

In October 1995, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 123, "Accounting for Stock Based Compensation" ("SFAS 123"). The Company does not intend to adopt the recognition provisions of the statement but will adopt the disclosure requirements in fiscal year 1997.

NOTE 2. DISCONTINUED NATURAL GAS COMPRESSION OPERATIONS

In September 1995, Zapata entered into an agreement (the "Purchase Agreement") to sell the assets of its natural gas compression operations to Weatherford Enterra, Inc. and its wholly owned subsidiary, Enterra Compression Company (collectively, "Weatherford Enterra"). Pursuant to the Purchase Agreement, Weatherford Enterra purchased from the Company all of the assets of its natural gas compression operations for approximately $131 million in cash, and assumed certain liabilities relating to those operations, subject to post-closing adjustments which are anticipated to be finalized in March 1996. Proceeds from the sale were used to repay certain indebtedness of approximately $26 million and expenses of approximately $1.3 million. The sale closed on December 15, 1995 after receiving stockholder approval resulting in a pre-tax gain of approximately $21.5 million or an after-tax gain of approximately $13.2 million.

The Company's consolidated financial statements reflect the natural gas compression operations as a discontinued operation. Summarized results of the discontinued natural gas compression operations are shown below (amounts in millions):

	THREE MONTHS ENDED DECEMBER 31,	
	1995	1994
FINANCIAL RESULTS		
Revenues	$13.1	$18.2
Expenses *	13.0	17.0
Income before taxes	.1	1.2
Income tax provision	.1	.5
Net income (loss)	$ --	$ .7

* Expenses include allocations of interest expense on general corporate debt of $260,000 and $475,000 in the three-month periods ending December 31, 1995 and 1994, respectively. Interest expense was allocated to discontinued operations based on a ratio of net assets to be sold to the sum of total net assets of the Company plus general corporate debt.

NOTE 3. DISCONTINUED NATURAL GAS GATHERING, PROCESSING AND MARKETING OPERATIONS

During fiscal 1995, the Company determined to dispose of its natural gas gathering, processing and marketing operations, which are conducted through a wholly owned subsidiary of the Company, Cimarron Gas Holding Company (together with its subsidiaries, "Cimarron"). Although a sales price for the Cimarron operations has not been determined, the Company estimates that, based on a nonbinding letter of intent that the Company has entered into with two purchasers, the sales price for Cimarron should be at least equal to book value. The Company expects to complete the sale of Cimarron in fiscal 1996.

The consolidated financial statements reflect the net assets and operating results of Cimarron's operations as a discontinued operation. The summarized financial position of Cimarron's discontinued operations is shown below (amounts in millions):

	DECEMBER 31, 1995	SEPTEMBER 30, 1995
FINANCIAL POSITION		
Current assets	$10.9	$ 9.6
Other assets	6.8	6.7
Property and equipment, net	16.6	16.9
	34.3	33.2
Debt	1.6	2.2
Other liabilities	11.2	9.6
	12.8	11.8
Net book value	$21.5	$21.4

NOTE 4. DIVISIONAL REVENUES AND OPERATING RESULTS

The Company's divisional revenues and operating results for the three months ended December 31, 1995 and 1994 are as follows:

	THREE MONTHS ENDED DECEMBER 31, 1995	1994
	(in thousands)	
Revenues:		
Marine protein	$23,466	$19,581
Oil and gas	476	2,776
	$23,942	$22,357
Operating income (loss):		
Marine protein	$ 3,063	$ 734
Oil and gas	(71)	410
Corporate	(625)	(833)
	$ 2,367	$ 311

NOTE 5. CHANGE IN ACCOUNTING PRINCIPLE

Effective October 1, 1995, the Company changed its method of accounting for its equity interest in Envirodyne Industries, Inc. ("Envirodyne"). Since Envirodyne's financial statements are not available to the Company on a basis that would permit concurrent reporting, the Company began reporting its equity in Envirodyne's results of operations on a three-month delayed basis. The Company's financial statements for the quarter ended December 31, 1995 did not include the Company's equity interest in Envirodyne for the corresponding period. The change reduced previously reported income from continuing operations by $467,000 ($719,000 before tax), or $.02 per share, with a corresponding cumulative effect for the change in accounting principle of $467,000 in the quarter ended December 31, 1995.

The following table reflects on a pro forma basis the effect of retroactively applying the new accounting principle (amounts in thousands, except per share amounts):

	Three Months Ended December 31, 1995	1994
Net income	$14,275	$ 748
Net income per share	$ 0.48	$ 0.02

NOTE 6. CASH FLOW INFORMATION

In connection with the sale of the Company's natural gas compression operations, Zapata has retained certain liabilities related to these operations.

As a result, the Company has reclassified approximately $2.8 million from net assets of discontinued operations to current liabilities of continuing operations.

ITEM 2. MANAGEMENT'S DISCUSSIONS AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

BUSINESS

In late 1994 and early 1995, the Company began to develop a strategic plan involving the repositioning of the Company in the food packaging, food and food service equipment and supply (collectively, "food services") businesses and exiting the energy business. The strategic plan that was developed called for the divestiture of most of the Company's remaining energy operations, including its natural gas compression operations, its natural gas gathering, processing and marketing operations and the Company's remaining domestic oil and gas assets, and the acquisition of, or joint ventures with, selected companies in the food services industry.

In December 1995, Zapata sold the assets of its subsidiaries engaged in natural gas compression operations (collectively, "Energy Industries") to Weatherford Enterra, Inc. and its wholly owned subsidiary, Enterra Compression Company (collectively, "Weatherford Enterra"). Pursuant to the Purchase Agreement, Weatherford Enterra purchased from the Company all of the assets of Energy Industries for $131 million in cash, and assumed certain liabilities of Energy Industries, subject to certain adjustments based on the net asset value of Energy Industries on the closing date (the "Energy Industries Sale"). The Energy Industries Sale resulted in an after-tax gain of approximately $13.2 million. Although a sales price for Cimarron has not been determined, the Company estimates that, based on a letter of intent with two purchasers, the minimum sales price for Cimarron should be at least equal to book value. The Company expects to complete the sale of Cimarron in fiscal 1996.

The Energy Industries Sale is a significant step in the Company's transition from an energy company to a food services company. Of the $131 million in cash proceeds received from the Energy Industries Sale, the Company used approximately $26 million to repay certain bank debt. Additionally, approximately $1.3 million was used to pay commissions and fees associated with the sale. The Company intends to use the remaining net proceeds from the sale for general corporate purposes, which may include further repayment of debt, and for future expansion into the food services industry. While the Company is actively seeking acquisition and joint venture opportunities in the food services industry, there can be no assurances that the Company will succeed in consummating any such opportunities or that acquisitions or joint ventures, if consummated, will be successful.

Zapata's Board of Directors has established a special committee for the purpose of investigating the legal and financial considerations of one or more merger or acquisition transactions involving the Company and Houlihan's Restaurant Group, Inc. ("Houlihan's") and Specialty Equipment Companies, Inc. ("Specialty"). Malcolm I. Glazer (the Chairman of the Board of Zapata) and members of his family beneficially own approximately 73% and 45% of the outstanding common stock of Houlihan's and Specialty, respectively, and Malcolm Glazer, Avram A. Glazer (the Company's President and Chief Executive Officer) and other members of their family serve as directors of both of those companies. The Special Committee, consisting of Board members Ronald C. Lassiter, Robert V. Leffler, Jr. and W. George Loar, was charged with determining what further steps, if any, should be taken by the Company to pursue any such transactions. The Special Committee's investigation is continuing, but it has made no determination with respect to possible transactions involving either Houlihan's or Specialty.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 1995, Zapata's long-term debt of $34.2 million compared favorably to working capital of $126.0 million. Reflecting the Energy Industries Sale in December 1995, the Company's cash component increased $99.6 million during the current quarter.

Cash provided from operating activities totalled $6.7 million in the first quarter of fiscal 1996 as compared to a $5.5 million use of cash during the first quarter of fiscal 1995. The improvement in the fiscal 1996 period was primarily attributable to an increased contribution from the Company's marine protein operations. Investing activities provided $104.0 million during the fiscal 1996 period and $1.6 million in the fiscal 1995 period. The fiscal 1996 period included the net proceeds generated from the Energy Industries Sale while the fiscal 1995 period included proceeds from the sale of the corporate aircraft and proceeds from a note that was fully collected in fiscal 1995. Financing activities consumed $11.1 million and $4.0 million in the first quarters of fiscal 1996 and 1995, respectively. The increased use of cash in the fiscal 1996 period includes a $3.2 million prepayment of indebtedness owing to the Malcolm I. Glazer Trust incurred in connection with the Company's purchase of stock of Envirodyne Industries, Inc. and a $7.0 million reduction of a revolving credit facility for the marine protein division. The fiscal 1995 period includes payments totalling $3.9 million for redemption of the Company's preferred stock, an oddlot common stock buy-back and dividend payments.

RESULTS OF OPERATIONS

Zapata's net income of $14.3 million for the first quarter of fiscal 1996 improved significantly from the prior year's first quarter net income of $748,000. The fiscal 1996 results include a $13.2 million after-tax gain from the sale of the Company's natural gas compression operations, which closed on December 15, 1995. Additionally, Zapata's net income includes a net loss of $42,000 in the fiscal 1996 period and net income of $473,000 in the fiscal 1995 period from the Company's discontinued natural gas compression operations and natural gas gathering, processing and marketing operations.

The Company's net income from continuing operations of $622,000 for the three-month period ending December 31, 1995 compared favorably to net income of $275,000 for the same period in the prior year. Reflecting improved operating results from the Company's marine protein operations, revenues of $23.9 million and operating income of $2.4 million for the first quarter of fiscal 1996 compared favorably to revenues of $22.4 million and operating income of $311,000 in the corresponding quarter in fiscal 1995.

MARINE PROTEIN

The marine protein division's operating results improved significantly in the first quarter of fiscal 1996 as compared to the first quarter of fiscal 1995. Revenues of $23.5 million and operating income of $3.1 million for the three-month period ending December 31, 1995 compared favorably to revenues of $19.6 million and operating income of $734,000 for the corresponding period in fiscal 1995. Sales volumes of fish oil were approximately 46% higher in the current quarter as compared to sales in the prior-year quarter, while fish meal sales volumes were down 30% in the current period as compared to the prior-year period. The average price of fish oil increased to $453 per ton in the first quarter of fiscal 1996 from $265 per ton in the fiscal 1995 first quarter; fish meal prices averaged $387 per ton in the fiscal 1996 period and $338 in the fiscal 1995 period. The Company's product inventory levels at December 31, 1995 for fish meal and fish oil were approximately 29% and 73% lower, respectively, than the December 31, 1994 inventory levels due primarily to lower carryover inventory levels from the fiscal 1995 fishing season.

The price for fishmeal generally bears a relationship to prevailing soybean meal prices, while prices for fish oil are usually based on prices for vegetable fats and oils, such as soybean and palm oils. Accordingly, the prices for the Company's products are significantly influenced 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.

In November 1995, the Company ceased operations at its Dulac, Louisiana plant. The Company's decision was based on the anticipated capital expenditures and operating capital requirements necessary to maintain the long-term viability of the Dulac processing operation. The entire harvesting effort previously managed from this location, as well as a significant portion of the processing assets, will be redeployed to other Company facilities. Therefore, the Company's harvesting efforts in future years are expected to remain comparable to recent years, and the Company's processing capabilities will not be significantly changed.

OIL AND GAS

In fiscal 1995, the Company sold its U.S. natural gas producing properties. As a result, the Company's only significant remaining oil and gas exploration and producing activity is the production of natural gas through a joint venture in Bolivia in which the Company has a 25% interest. Revenues of $476,000 and an operating loss of $71,000 in the first quarter of fiscal 1996 compared unfavorably to revenues of $2.8 million and operating income of $410,000 in the comparable fiscal 1995 quarter, which included revenues of $928,000 and operating income of $696,000 from the Bolivian operations. The Company's fiscal 1996 Bolivian operating results were negatively impacted by lower natural gas production volumes and higher operating expenses.

DISCONTINUED OPERATIONS-NATURAL GAS SERVICES-COMPRESSION

The Company's discontinued natural gas compression division's revenues of $13.1 million and operating income of $720,000 for the fiscal 1996 period compared unfavorably to the fiscal 1995 period revenues of $18.2 million and operating income of $1.9 million. As compared to fiscal 1995, the fiscal 1996 period operating results were lower due to the combination of reduced sales of compressor units, lower rental rates, and a shorter reporting period as a result of the Energy Industries Sale on December 15, 1995.

DISCONTINUED OPERATIONS-NATURAL GAS SERVICES-GATHERING, PROCESSING AND MARKETING

Revenues of $13.0 million and an operating loss of $156,000 for the first quarter of fiscal 1996 compared to revenues of $25.0 million and an operating loss of $170,000 in the corresponding fiscal 1995 period. The decrease in revenues reflects the Company's decision to reduce its natural gas trading activities. The loss generated in the current quarter from these operations has been charged against the reserve for discontinued operations.

PART II - OTHER INFORMATION

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

The exhibits indicated by an asterisk (*) are incorporated by reference to the Zapata Corporation Annual Report on Form 10-K for the fiscal year ended September 30, 1995.

3(a)* -- Restated Certificate of Incorporation of Zapata filed with Secretary of State of Delaware on May 3, 1994 (Exhibit 3(a) to Current Report on Form 8-K dated April 27, 1994 (File No. 1-4219)).

3(b)* -- 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)).

3(c)* -- 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)).

3(d)* -- By-laws of Zapata, as amended effective November 21, 1995.

10(a)* -- Mutual Release Agreement dated as of December 1, 1995 by and among Zapata Corporation, Cimarron Gas Holding Company, Robert W. Jackson and the Robert W. Jackson Trust.

18 -- Letter regarding Change in Accounting Principle.

27 -- Financial Data Schedule

(b) Reports on Form 8-K:

Current Report on Form 8-K dated November 17, 1995 (reported the resignation of Peter M. Holt from the Company's Board of Directors as a result of Mr. Holt's disagreement with the Company).

Current Report on Form 8-K dated December 15, 1995 (reported the closing of the sale of the Company's natural gas compression business to Weatherford Enterra, Inc.). Such Form 8-K incorporated by reference the following financial statements of the Company: (a) Unaudited Pro Forma Condensed Statements of Income for the fiscal year ended September 30, 1994 and the nine-month periods ended June 30, 1994 and 1995 and (b) Unaudited Pro Forma Condensed Balance Sheet as of June 30, 1995.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ZAPATA CORPORATION
(Registrant)

December 23, 1996 By: /s/ Joseph L. von Rosenberg III

(Joseph L. von Rosenberg III,
Executive Vice President, General Counsel
and Corporate Secretary)

December 23, 1996 By: /s/ Robert A. Gardiner

(Robert A. Gardiner,
Vice President and Chief
Financial Officer)

EXHIBIT INDEX

NUMBER		EXHIBIT
3(a)*	--	Restated Certificate of Incorporation of Zapata filed with Secretary of State of Delaware on May 3, 1994 (Exhibit 3(a) to Current Report on Form 8-K dated April 27, 1994 (File No. 1-4219)).
3(b)*	--	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)).
3(c)*	--	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)).
3(d)*	--	By-laws of Zapata, as amended effective November 21, 1995.
10(a)*	--	Mutual Release Agreement dated as of December 1, 1995 by and among Zapata Corporation, Cimarron Gas Holding Company, Robert W. Jackson and the Robert W. Jackson Trust.
18	--	Letter regarding Change in Accounting Principle.
27	--	Financial Data Schedule

* Incorporated by reference to the Zapata Corporation Annual Report on Form 10-K for the fiscal year ended September 30, 1995

5

1,000

3-MOS
SEP-30-1996
OCT-01-1995
SEP-30-1996
102,075
0
9,992
0
25,640
159,182
74,958
35,810
246,195
33,158
34,179
7,387
0
3
152,175
246,195
23,942
23,942
19,235
21,575
405
0
1,010
1,762
673
622
13,186
0
467
14,275
.48
.48