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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2004

OR

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

COMMISSION FILE NUMBER: 1-4219

ZAPATA CORPORATION
(Exact name of Registrant as specified in its charter)

STATE OF NEVADA (State or other jurisdiction of incorporation or organization)	C-74-1339132 (I.R.S. Employer Identification No.)
100 MERIDIAN CENTRE, SUITE 350 ROCHESTER, NY (Address of principal executive offices)	14618 (Zip Code)

(585) 242-2000
(Registrant's telephone number, including area code)

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] or No [ ].

Indicate by "X" whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes [ ] No [X]

As of November 1, 2004, the Registrant had outstanding 2,391,315 shares of common stock, $0.01 par value.

ZAPATA CORPORATION

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PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND NOTES

ZAPATA CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	SEPTEMBER 30, 2004 (UNAUDITED)	DECEMBER 31, 2003
ASSETS		
Current assets:	$ 72,181	$ 43,934
Cash and cash equivalents		
Short-term investments	--	29,351
Accounts receivable, net	56,396	58,011
Inventories, net	71,521	63,957
Prepaid expenses and other current assets	7,267	6,045
Total current assets	207,365	201,298
Investments and other assets:		
Intangible assets, net	6,562	8,121
Other assets	23,174	23,925
Total investments and other assets	29,736	32,046
Property, plant and equipment, net	133,714	125,695
Total assets	$ 370,815	$ 359,039
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 5,426	$ 5,780
Accounts payable	19,540	27,935
Accrued and other current liabilities	36,646	27,278
Total current liabilities	61,612	60,993
Long-term debt	26,785	29,422
Pension liabilities	8,174	7,687
Other liabilities and deferred taxes	13,769	9,698
Minority interest	77,439	68,702
Total liabilities	187,779	176,502
Commitments and contingencies (Note 9)		
Stockholders' equity:		
Preferred stock, $.01 par; 200,000 shares authorized; none issued or outstanding	--	--
Preference stock, $.01 par; 1,800,000 shares authorized; none issued or outstanding	--	--
Common stock, $0.01 par, 16,500,000 shares authorized, 3,070,325 shares issued and 2,391,315 shares outstanding	31	31
Capital in excess of par value	160,788	163,490
Retained earnings	54,526	51,108
Treasury stock, at cost, 679,010 shares	(31,668)	(31,668)
Accumulated other comprehensive loss	(641)	(424)
Total stockholders' equity	183,036	182,537
Total liabilities and stockholders' equity	$ 370,815	$ 359,039

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

ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED SEPTEMBER 30,		NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Revenues	$ 97,672	$ 32,151	$ 284,273	$ 84,544
Cost of revenues	83,803	28,553	239,061	68,346
Gross profit	13,869	3,598	45,212	16,198
Operating expense:				
Selling, general and administrative	10,227	3,512	29,076	9,925
Total operating expenses	10,227	3,512	29,076	9,925
Operating income	3,642	86	16,136	6,273
Other income (expense):				
Interest income (expense), net	(4)	(2)	(643)	194
Other, net	326	(12)	99	(42)
	322	(14)	(544)	152
Income before income taxes and minority interest	3,964	72	15,592	6,425
Provision for income taxes	(2,045)	(2,095)	(8,656)	(3,333)
Minority interest in net income of consolidated subsidiaries	(1,135)	(294)	(3,518)	(2,293)
Net income (loss)	$ 784	$ (2,317)	$ 3,418	$ 799
Earnings per share:				
Basic	$ 0.33	$ (0.97)	$ 1.43	$ 0.33
Diluted	$ 0.32	$ (0.97)	$ 1.41	$ 0.33
Weighted average common shares outstanding:				
Basic	2,391	2,391	2,391	2,391
Diluted	2,419	2,391	2,417	2,403

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

ZAPATA CORPORATION
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003
Cash flows from operating activities:		
Net income	$ 3,418	$ 799
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	18,222	9,188
Loss (gain) on disposal of assets	214	(137)
Provisions for losses on receivables	28	38
Tax benefit from stock option exercises	818	--
Minority interest in net income of consolidated subsidiaries	3,518	2,293
Deferred income taxes	3,732	2,312
Changes in assets and liabilities:		
Accounts receivable	1,591	(9,091)
Inventories	(7,563)	(8,125)
Prepaid expenses and other current assets	137	172
Accounts payable	(8,372)	(865)
Pension liabilities	(35)	(371)
Accrued liabilities and other current liabilities	8,576	(1,465)
Other assets and liabilities	37	2,367
Total adjustments	20,903	(3,684)
Net cash provided by (used in) operating activities	24,321	(2,885)
Cash flows from investing activities:		
Payment for purchase of Safety Components International, Inc., net of cash acquired	--	(25,077)
Proceeds from disposition of assets	66	180
Purchase of short-term investments	--	(8,809)
Proceeds of maturities of short-term investments	29,351	35,832
Proceeds of maturities of long-term investments	--	3,994
Capital expenditures	(24,115)	(10,324)
Net cash provided by (used in) investing activities	5,302	(4,204)
Cash flows from financing activities:		
Proceeds from borrowings	1,132	52
Principal payments of short- and long-tem obligations	(4,128)	(948)
Proceeds from stock option exercises	1,586	1,149
Net cash (used in) provided by financing activities	(1,410)	253
Effect of exchange rate changes on cash and cash equivalents	34	21
Net increase (decrease) in cash and cash equivalents	28,247	(6,815)
Cash and cash equivalents at beginning of period	43,934	80,643
Cash and cash equivalents at end of period	$ 72,181	$ 73,828

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

ZAPATA CORPORATION
NOTES TO UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF OPERATIONS AND BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements included herein have been prepared by Zapata Corporation ("Zapata" or the "Company") 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 for a fair statement of 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 a complete description of significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements and the notes thereto included in Zapata's 2003 Annual Report on Form 10-K filed with the Securities and Exchange Commission and with the information presented by Safety Components International, Inc., Omega Protein Corporation and Zap.Com Corporation in their 2003 Annual Reports or Transition Reports on Form 10-K. The results of operations for the three month and nine month periods ended September 30, 2004 are not necessarily indicative of the results for any subsequent period or the entire fiscal year ending December 31, 2004.

BUSINESS DESCRIPTION

Zapata was incorporated in Delaware in 1954 and was reincorporated in Nevada in April 1999. The Company's principal executive offices are at 100 Meridian Centre, Suite 350, Rochester, New York 14618. Zapata's common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol "ZAP."

Zapata Corporation is a holding company which currently has two operating companies, Safety Components International, Inc. ("Safety Components" or "Safety") and Omega Protein Corporation ("Omega Protein" or "Omega"). As of September 30, 2004, Zapata had a 79% ownership interest in Safety and a 59% ownership interest in Omega. In addition, Zapata owns 98% of Zap.Com Corporation ("Zap.Com"), a public shell company.

Safety Components is a supplier of automotive airbag fabric and cushions and technical fabrics with operations in North America and Europe. Safety Components sells airbag fabric domestically and cushions worldwide to the major airbag module integrators that outsource such products. Safety Components also manufactures value-added technical fabrics used in a variety of niche industrial and commercial applications such as ballistics material for luggage, filtration, military tents and fire service apparel. Safety Components trades on the over-the counter electronic bulletin board under the symbol "SAFY."

Omega Protein produces and markets a variety of products produced from menhaden (a herring-like species of fish found in commercial quantities in the U.S. coastal waters of the Atlantic Ocean and Gulf of Mexico), including regular grade and value-added specialty fish meals, crude and refined fish oils and regular and value-added fish solubles. Omega's fish meal products are primarily used as a protein ingredient in animal feed for swine, cattle, aquaculture and household pets. Fish oil is utilized for animal and aquaculture feeds, industrial applications, as well as for additives to human food products. Omega's fish solubles are sold primarily to livestock feed manufacturers, aquaculture feed manufacturers and for use as an organic fertilizer. Omega Protein trades on the New York Stock Exchange under the symbol "OME."

Zap.Com is a public shell company which does not have any existing business operations. From time to time, Zap.Com considers acquisitions that would result in it becoming an operating company. Zap.Com may also consider developing a new business suitable for its situation. Zap.Com trades on the over-the-counter electronic bulletin board under the symbol "ZPCM."

As used throughout this report, "Zapata Corporate" is defined as Zapata Corporation exclusive of its majority owned subsidiaries Safety Components, Omega Protein and Zap.Com.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

INCOME TAXES

Zapata and Omega each file a separate consolidated U.S. federal income tax return. Zapata's consolidated U.S. federal income tax return includes subsidiaries in which Zapata owns in excess of 80% of the voting interests. On or about April 1, 2004, Zapata's stock ownership percentage of Safety Components outstanding stock decreased below 80% due to stock option exercises by Safety Components' employees. As a result of Zapata's ownership of Safety Components outstanding stock falling below 80%, Zapata will not consolidate Safety Components into Zapata's consolidated income tax returns for periods subsequent to the first quarter of 2004. Zap.Com is included in Zapata's consolidated U.S. federal income tax return.

The Company utilizes the liability method to account for income taxes. This method requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of existing temporary differences between the financial reporting and tax reporting basis of assets and liabilities, and operating loss and tax credit carry-forwards for tax purposes. Valuation allowances are recognized to reduce deferred tax assets to an amount that is more likely than not to be realized. During the periods in which Safety Components is included in Zapata's consolidated federal return, the assessment of Safety's tax liabilities, deferred tax assets and liabilities, and valuation allowance are calculated on a consolidated basis that includes Zapata's and Zap.Com's activities and results of operations. With respect to Safety's foreign operations, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carry-forwards.

STOCK-BASED COMPENSATION

The Company accounts for stock-based compensation according to Accounting Principles Board Opinion No. 25 and the related interpretations under Financial Accounting Standards Board ("FASB") Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation." The Company has adopted the required disclosure provisions under Statement of Financial Accounting Standards ("SFAS") No. 148 and continues to use the intrinsic value method of accounting for stock-based compensation. Had compensation expense for the Company's stock option grants been determined based on fair value at the grant date using the Black-Scholes option-pricing model, the Company's net income and earnings per share (basic and diluted) would have been as follows:

	THREE MONTHS ENDED SEPTEMBER 30, 2004 (UNAUDITED)	THREE MONTHS ENDED SEPTEMBER 30, 2003 (UNAUDITED)
	(IN THOUSANDS)	
Net income (loss), as reported	$ 784	$ (2,317)
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax effects:		
Zapata Corporate	(32)	(10)
Safety Components	--	--
Omega Protein	(112)	(38)
Zap.Com	--	--
Total pro forma expense	(144)	(48)
Pro forma net income (loss)	$ 640	$ (2,365)
Earnings per share:		
Basic - as reported	$ 0.33	$ (0.97)
Basic - pro forma	$ 0.27	$ (0.99)
Diluted - as reported	$ 0.32	$ (0.97)
Diluted - pro forma	$ 0.26	$ (0.99)

	NINE MONTHS ENDED SEPTEMBER 30, 2004 (UNAUDITED)	NINE MONTHS ENDED SEPTEMBER 30, 2003 (UNAUDITED)
	(IN THOUSANDS)	
Net income, as reported	$ 3,418	$ 799
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax effects:		
Zapata Corporate	(98)	(35)
Safety Components	--	--
Omega Protein	(248)	(207)
Zap.Com	--	--
Total pro forma expense	(346)	(242)
Pro forma net income (loss)	$ 3,072	$ 557
Earnings per share:		
Basic - as reported	$ 1.43	$ 0.33
Basic - pro forma	$ 1.28	$ 0.23
Diluted - as reported	$ 1.41	$ 0.33
Diluted - pro forma	$ 1.27	$ 0.23

RECLASSIFICATION

Certain reclassifications of prior year information have been made to conform to the current presentation.

NOTE 3. SHORT-TERM INVESTMENTS

Short-term investments are summarized as follows:

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
	(IN THOUSANDS)	
Federal National Mortgage Association Discount Note	$ --	$21,024
Federal Home Loan Mortgage Corporation Discount Note	--	7,822
Commercial Paper	--	505
	$ --	$29,351

At December 31, 2003, consolidated short-term investments consisted exclusively of the short-term investments of Zapata Corporate. Interest rates on these investments ranged from 0.99%--1.06% at December 31, 2003.

NOTE 4. INVENTORIES

Inventories are summarized as follows:

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
	(IN THOUSANDS)	
SAFETY COMPONENTS:	$ 5,743	$ 6,273
Work-in-process	8,209	7,089
Finished goods	12,092	10,190
Total Safety Components inventory	$26,044	$23,552
OMEGA PROTEIN:		
Fish meal	$24,222	$21,963
Fish oil	12,186	7,666
Fish solubles	505	600
Unallocated inventory cost pool (including off-season costs)	3,592	5,348
Other materials and supplies	4,972	4,828
Total Omega Protein inventory	$45,477	$40,405
Total consolidated inventory	$71,521	$63,957

The elements of Omega's unallocated inventory cost pool include plant and vessel related labor, utilities, rent, repairs and depreciation, to be allocated to inventories produced through the remainder of the 2004 season.

NOTE 5. ACCRUED AND OTHER CURRENT LIABILITIES

Accrued and other current liabilities are summarized as follows:

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
	(IN THOUSANDS)	
Salary and benefits	$13,489	$ 8,935
Insurance	4,410	5,258
Taxes, other than income tax	1,104	12
Trade creditors	3,140	2,135
Federal and state income taxes	7,424	5,462
Litigation reserves	1,414	1,414
Other	5,665	4,062
	$36,646	$27,278

NOTE 6. DEBT

Long-term debt consisted of the following:

	SEPTEMBER 30, 2004	DECEMBER 31, 2003
	(IN THOUSANDS)	
SAFETY COMPONENTS:		
Congress revolving credit facility due on October 8, 2006, interest at a variable rate of 4.5 % at September 30, 2004 and 4.0% at December 31, 2003	$ 5,760	$ 4,628
Congress Term A loan, due on October 8, 2006, interest at a variable rate of 4.5 % at September 30, 2004 and 4.0% at December 31, 2003	3,115	4,176
KeyCorp equipment note due August, 2005, interest rate of 1.3% over LIBOR	1,447	2,690
HBV Bank Czech Republic mortgage note due March, 2007, interest rate of 1.7% over EURIBOR	2,650	3,509
Capital equipment notes payable, with various interest rates ranging from 7.6% to 10.0%, maturing at various dates through March 2008	1,223	1,028
Total Safety Components' debt	14,195	16,031
Less: current maturities	(3,777)	(4,214)
	$ 10,418	$ 11,817
OMEGA PROTEIN:		
U.S. government guaranteed obligations (Title XI loan) collateralized by a first lien on certain vessels and certain plant assets:		
Amounts due in installments through 2016, interest from 5.7% to 7.6%	$ 17,552	$ 18,658
Amounts due in installments through 2014, interest at Eurodollar rates of 2.03% and 1.6% at September 30, 2004 and December 31, 2003, respectively, plus 4.5%	420	441
Other debt at 7.9% and 7.9% at September 30, 2004 and December 31, 2003, respectively	44	72
Total Omega Protein's debt	18,016	19,171
Less: current maturities	(1,649)	(1,566)
	$ 16,367	$ 17,605
Total consolidated long-term debt	$ 26,785	$ 29,422

As of September 30, 2004 and December 31, 2003, the estimated fair value of debt obligations approximated book value.

SAFETY COMPONENTS

Safety has a credit facility with Congress Financial Corporation (Southern), a subsidiary of Wachovia Bank, National Association ("Congress"). Safety has an aggregate $35.0 million revolving credit facility with Congress (the "Congress Revolver") expiring October 8, 2006. Under the Congress Revolver, Safety may borrow up to the lesser of (a) $35.0 million or (b) 85% of eligible accounts receivable, plus 60% of eligible finished goods, plus 50% of eligible raw materials. The amount borrowed under the Congress Revolver at September 30, 2004 was $5.8 million. The Congress Revolver also includes a $5.0 million letter of credit facility, which was unutilized at September 30, 2004.

In addition, Safety has a term facility with Congress (the "Congress Term A loan") under which $3.1 million was outstanding as of September 30, 2004. The Congress Term A loan is payable in equal monthly installments of approximately $64,000, with the unpaid principal amount due on October 8, 2006. Additional amounts are not available for borrowing under the Congress Term A loan. In addition to the Congress Revolver and the Congress Term A loan, Safety also has an additional term loan (the "Congress Term B loan" and, collectively with the Congress Revolver and the Congress Term A loan, the "Congress Facilities") which is undrawn and under which $3.75 million is currently available. At September 30, 2004, Safety's availability for additional borrowings (based on the maximum allowable limit) under the Congress Revolver and the Congress Term B loan was approximately $33.0 million.

The interest rate on the Congress Revolver and Congress Term A loan is variable, depending on the amount of Safety's Excess Availability (as defined in the Congress Facilities) at any particular time and the ratio of Safety's EBITDA, less certain capital expenditures made by Safety, to certain fixed charges of Safety (the "Fixed Charge Coverage Ratio"). Safety may make borrowings based on the prime rate as described in the Congress Facilities (the "Prime Rate") or the LIBOR rate as described in the Congress Facilities, in each case with an applicable margin applied to the rate. The Congress Term B loan bears interest at the Prime Rate plus 3%. At September 30, 2004, the margin on Prime Rate loans was 0.0% and the margin on LIBOR rate loans was 1.75%. Safety is required to pay a monthly unused line fee of 0.25% on the unutilized portion of the Congress Revolver and a monthly fee equal to 1.75% per annum of the amount of any outstanding letters of credit.

Under the Congress Revolver and Congress Term A loan, Safety is subject to a covenant that requires it to maintain a certain tangible net worth. To the extent that Safety has borrowings outstanding under the Congress Term B loan, it is subject to additional financial covenants that require Safety: (i) to maintain EBITDA of no less than certain specified amounts, (ii) to maintain a Fixed Charge Coverage Ratio of no less than a specified amount, (iii) to maintain a ratio of certain indebtedness to EBITDA not in excess of a specified amount, and (iv) not to make capital expenditures in excess of specified amounts. In addition, Safety would be required to repay the Congress Term B loan to the extent of certain excess cash flow.

The Congress Facilities also impose limitations upon Safety's ability to, among other things, incur indebtedness (including capitalized lease arrangements); become or remain liable with respect to any guaranty; make loans; acquire investments; declare or make dividends or other distributions; merge, consolidate, liquidate or dispose of assets or indebtedness; incur liens; issue capital stock; or change its business. At September 30, 2004, Safety was in compliance with all financial covenants. At September 30, 2004, Safety was also in compliance with all non-financial covenants other than a covenant requiring the company to dissolve certain inactive subsidiaries. The non-compliance under this covenant was waived by Congress. Substantially all assets of Safety are pledged as collateral for the borrowings under the Congress Facilities.

In July 2004, Safety and Congress entered into an amendment to the Congress Facilities which, among other things, allows Safety to include its Romanian subsidiary and entities formed in connection with a proposed joint venture in China within the group of affiliates to which Safety is permitted to make loans up to an aggregate specified amount. In October 2004, Safety and Congress entered into an amendment and consent to the Congress Facilities pursuant to which Congress consented to certain actions by Safety, and Safety and Congress agreed to certain amendments to the Congress Facilities, in each case in order to permit Safety to enter into a proposed joint venture in South Africa with another third party. This amendment also, among other things, allows Safety to include the entity formed to conduct this joint venture within the group of affiliates to which Safety is permitted to make loans up to an aggregate specified amount.

OMEGA PROTEIN

On October 1, 2003, pursuant to the Title XI program, the United States Department of Commerce approved the fiscal 2003 financing application made by Omega in the amount of $5.3 million. Omega closed on the $5.3 million Title XI loan on December 30, 2003.

On September 2, 2004, pursuant to the Title XI program, the United States Department of Commerce approved a financing application made by Omega in the amount of $14 million (the "Approval Letter"). Omega had no borrowings or financing requests outstanding under the Approval Letter at September 30, 2004. Borrowings under this Title XI program may be used for refurbishment of Omega's fishing vessels and capital expenditures relating to

Omega's shore-side fishing assets. The Title XI loans are secured by liens on certain of Omega's fishing vessels and mortgages on Omega's Reedville, Virginia and Abbeville and Cameron, Louisiana plants.

On December 20, 2000 Omega entered into a three-year $20 million revolving credit agreement with Bank of America, N.A. (the "Credit Facility"). Borrowings under this facility may be used for working capital and capital expenditures. On May 19, 2003, Omega amended the existing Credit Facility and among other things, these amendments extended the maturity until December 20, 2006, deleted certain existing financial covenants and added certain affirmative covenants such as a Leverage Ratio covenant not to exceed 3 to 1 at any time and a Fixed Charge Coverage Ratio covenant not to be less than 1 as of the end of each month, measured for the twelve-month period then ended. Omega is required to comply with the financial covenants from and after the last day of any month in which the Credit Facility's availability is less than $3 million on any date or the Credit Facility's availability averages less than $6 million for any calendar month. Omega was in compliance with its financial covenants as of September 30, 2004. A commitment fee of 50 basis points per annum is payable on the unused portion of the Credit Facility. If at any time Omega's loan outstanding under the Credit Facility is $5 million or greater, the commitment fee on the unused portion shall be 25 basis points per annum. Applicable interest is payable at alternative rates of LIBOR plus 2.25% or Prime plus 0%. The applicable interest note will be adjusted (up or down) prospectively on a quarter basis from LIBOR plus 2.25% to LIBOR plus 2.75% or at Omega's option, Prime plus 0% to Prime plus 0.25%, depending upon the Fixed Charge Coverage Ratio being greater than 2.5 times to less than or equal to 1.5 times, respectively. The Credit Facility is collateralized by all of Omega's trade receivables, inventory and equipment. In addition, the Credit Facility does not allow for the payment of cash dividends or stock repurchases and also limits capital expenditures and investments. As of September 30, 2004 Omega had no borrowings outstanding under the Credit Facility. At September 30, 2004 and December 31, 2003, Omega had outstanding letters of credit totaling approximately $2.7 million and $2.6 million, respectively, issued primarily in support of worker's compensation insurance programs.

NOTE 7. EARNINGS PER SHARE INFORMATION

The following reconciles amounts used in the computations of basic and diluted income (loss) per common share (in thousands, except per share amounts):

	FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2004			2003		
	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT	LOSS	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT
Basic income per common share	$ 784	2,391	$0.33	$(2,317)	2,391	$ (0.97)
Effect of dilutive stock options		28		--		
Diluted earnings per common share	$ 784	2,419	$0.32	$(2,317)	2,391	$ (0.97)

	FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004			2003		
	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT	LOSS	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT
Basic income per common share	$3,418	2,391	$ 1.43	$ 799	2,391	$ 0.33
Effect of dilutive stock options		26			12	
Diluted earnings per common share	$3,418	2,417	$ 1.41	$ 799	2,403	$ 0.33

The following table details the potential common shares excluded from the calculation of diluted earnings (loss) per share because their exercise price was greater than the average market price for the period (in thousands, except per share amounts):

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2004	2003	2004	2003
Potential common shares excluded from the calculation of diluted earnings per share:				
Stock options (in thousands)	2	145	2	145
Weighted average price per share	$ 87.50	$ 42.74	$ 78.34	$ 47.09

NOTE 8. COMPREHENSIVE INCOME (LOSS)

The components of other comprehensive income (loss) are as follows:

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2004 (UNAUDITED)	2003 (UNAUDITED)	2004 (UNAUDITED)	2003 (UNAUDITED)
	(IN THOUSANDS)			
Net income (loss)	$ 784	$(2,317)	$ 3,418	$ 799
Currency translation adjustment, net of tax effects	433	(22)	(131)	(13)
Unrealized gain on hedging transactions, net of tax effects	31	--	18	--
Reclassification adjustment for losses in net income	13	--	18	--
	$ 1,261	$(2,339)	$ 3,323	$ 786

Due to the timing of the acquisition, no amounts in the consolidated statements of operations for the three and nine month periods ended September 30, 2003 relate to Safety Components. Accordingly, no components of other comprehensive (loss) income related to Safety Components were included in the three and nine month periods ended September 30, 2003 above.

NOTE 9. COMMITMENTS AND CONTINGENCIES

LITIGATION

Zapata is involved in litigation relating to claims arising out of its past and current operations in the normal course of business. Zapata maintains insurance coverage against such potential ordinary course claims in an amount in which it believes to be adequate. While the results of any ultimate resolution cannot be predicted, in the opinion of Zapata's management, based upon discussions with counsel, any losses resulting from these matters will not have a material adverse effect on Zapata's results of operations, cash flow or financial position.

ENVIRONMENTAL MATTERS

Zapata and its subsidiaries are subject to various possible claims and lawsuits regarding environmental matters. Zapata's management believes that costs, if any, related to these matters will not have a material adverse effect on the consolidated results of operations, cash flows or financial position of the Company.

CAPITAL COMMITMENTS

Omega has committed approximately $18 million to build a new 100 metric ton per day fish oil processing facility at its Reedville, Virginia location. The commitments covered by this agreement aggregate approximately $7 million and $11 million for 2003 and 2004, respectively. As of September 30, 2004 Omega has incurred approximately $18.3 million related to its Reedville fish oil processing facility placed in operations during October 2004.

GUARANTEES

The Company has applied the disclosure provisions of FASB Interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others," to its agreements containing guarantee or indemnification clauses. These disclosure provisions expand those required by SFAS No. 5, "Accounting for Contingencies," by requiring a guarantor to disclose certain types of guarantees, even if the likelihood of requiring the guarantor's performance is remote. The following is a description of arrangements in which the Company is the guarantor.

Zapata's articles of incorporation, bylaws and certain other agreements contain indemnification clauses for its officers, directors and certain consultants for losses incurred as a result of claims made against such individuals arising out of, or because of their service to the Company. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, Zapata maintains Director and Officer Liability insurance that limits this exposure. As a result of this insurance coverage, it is the opinion of Zapata's management that the estimated fair value of any liabilities under these indemnification agreements is minimal and should not materially impact the Company's financial position, results of operations or cash flows. Accordingly, no liabilities have been recorded for the indemnification clauses in these agreements.

Throughout its history, the Company has entered into numerous transactions relating to the sale, disposal or spin-off of past operations. Pursuant to certain of these transactions, the Company may be obligated to indemnify other parties to these agreements. These obligations include indemnifications for losses incurred by such parties arising out of the operations of such businesses prior to these transactions or the inaccuracy of representations of information supplied by the Company in connection with such transactions. These indemnification obligations were in effect prior to December 31, 2002 and are therefore grandfathered under the provisions of FIN 45. Accordingly, no liabilities have been recorded for the indemnification clauses in these agreements.

In addition, Safety Components, Omega Protein and Zap.Com have articles of incorporation, bylaws and certain other agreements containing indemnification clauses for their officers and directors. The estimated fair values of any liabilities under these indemnification agreements are limited by insurance coverages and should not materially impact each company's financial position, results of operations or cash flows. No liabilities have been recorded for the indemnification clauses in these agreements.

NOTE 10. RELATED PARTY TRANSACTIONS

SAFETY COMPONENTS

Zapata and Omega each file a separate consolidated U.S. federal income tax return. Zapata's consolidated U.S. federal income tax return includes subsidiaries in which Zapata owns in excess of 80% of the voting interests. On or about April 1, 2004, Zapata's stock ownership percentage of Safety Components outstanding stock decreased below 80% due to stock option exercises by Safety Components' employees. As a result of Zapata's ownership of Safety Components outstanding stock falling below 80%, Zapata will not consolidate Safety Components into Zapata's consolidated income tax returns for periods subsequent to the first quarter of 2004. Under a tax sharing and indemnity agreement included as Exhibit 10(s) to the Company's Annual Report on Form 10-K, Safety will be consolidated into Zapata's tax filing group for the fourth calendar quarter of 2003 and the first calendar quarter of 2004.

OMEGA PROTEIN CORPORATION

Upon completion of Omega's initial public offering in 1998, Omega and Zapata entered into certain agreements including the Administrative Services Agreement, which covers certain administrative services Omega provides to Zapata. The Administrative Services Agreement allows Omega to provide certain administrative services to Zapata at Omega's estimated cost. Zapata reimbursed Omega approximately $4,000 for the three months ended September 30, 2004 and 2003 and $15,000 for the nine months ended September 30, 2004 and 2003 for services provided under the plan.

Zapata and Omega also entered into a Sublease Agreement which provided for Omega to lease its principal corporate offices in Houston, Texas from Zapata Corporation of Texas, Inc., a non-operating wholly-owned subsidiary of Zapata.

In May 2003, Zapata Corporation of Texas, Inc. assigned the lease to Omega who assumed all obligations under the lease with the third party landlord.

ZAP.COM CORPORATION

Since its inception, Zap.Com has utilized the services of the Zapata's management and staff under a shared services agreement that allocated these costs on a percentage of time basis. Zap. Com also subleases its office space in Rochester, New York from Zapata. Under the sublease agreement, annual rental payments are allocated on a cost basis. Zapata has waived its rights under the shared services agreement to be reimbursed for these expenses since May 1, 2000. Contributed capital of $3,000 for each of the three months ended September 30, 2004 and 2003 and $10,000 and $9,000 for the nine months ended September 30, 2004 and 2003, respectively, was recorded for these services.

OTHER

During 2002, the Company finalized the terms of a consulting agreement with its former Chairman of the Board of Directors, Malcolm Glazer. Subject to the terms of the agreement, the Company pays Malcolm Glazer $122,500 per month until April 30, 2006. The agreement also provides for health and other medical benefits for Mr. Glazer and his wife. This agreement will terminate in the event of Mr. Glazer's death or permanent disability.

The Company incurred legal fees of approximately $11,000 and $29,000 for the three and nine months ended September 30, 2003, respctively, related to a previously dismissed action against Malcolm I. Glazer, the Malcolm I. Glazer Family Limited Partnership, and Malcolm I. Glazer GP, Inc. No amounts have been incurred during the nine month period ending September 30, 2004 related to this matter.

NOTE 11. QUALIFIED DEFINED BENEFIT PLANS

Zapata and Omega Protein have separate and independent noncontributory defined benefit pension plans covering certain U.S. employees. Additionally, Zapata has a supplemental pension plan, which provides supplemental retirement payments to certain former senior executives of Zapata.

The amounts shown below reflect the consolidated defined benefit pension plan expense for Zapata and Omega Protein, including Zapata's supplemental pension plan expense.

COMPONENTS OF NET PERIODIC BENEFIT COST

	FOR THE THREE MONTHS ENDED SEPTEMBER 30,		FOR THE NINE MONTHS ENDED SEPTEMBER 30,	
	2004 (UNAUDITED)	2003 (UNAUDITED)	2004 (UNAUDITED)	2003 (UNAUDITED)
	(IN THOUSANDS)			
Service cost	$ 10	$ 7	$ 29	$ 22
Interest cost	651	696	1,953	2,089
Expected return on plan assets	(750)	(639)	(2,250)	(1,916)
Amortization of transition assets and other deferrals	335	440	1,004	1,320
Net periodic benefit cost	$ 246	$ 504	$ 736	$ 1,515

Omega previously disclosed in its financial statements for the year ended December 31, 2003 that it expected to contribute $939,000 to its pension plan in 2004. As of September 30, 2004, no contributions have been made. As of September 30, 2004 Omega anticipates that the 2004 fiscal year contribution will be zero due to the passage of the Pension Funding Equity Act of 2004. Additionally, as of September 30, 2004, Zapata has made no contributions to either of its plans and anticipates no contributions in 2004.

NOTE 12. DERIVATIVES AND HEDGING

Safety Components monitors its risk associated with the volatility of certain foreign currencies against its functional currency, the U.S. dollar. Safety uses certain derivative financial instruments to reduce exposure to volatility of foreign currencies. Safety has formally documented all relationships between hedging instruments and hedged items, as well as risk management objectives and strategies for undertaking various hedge transactions. Derivative financial instruments are not entered into for trading or speculative purposes.

Certain costs at Safety's Mexican facilities are paid in Mexican pesos. To reduce exposure to fluctuations in the U.S. dollar and Mexican peso exchange rates, Safety entered into forward contracts on May 11, 2004 to buy Mexican pesos for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At September 30, 2004, Safety had outstanding forward exchange contracts that mature between October 2004 and December 2004 to purchase Mexican pesos with an aggregate notional amount of approximately $801,000. The fair values of these contracts at September 30, 2004 totaled approximately $23,000 which is recorded as an asset on Safety's balance sheet in other current assets. Changes in the derivatives' fair values are deferred and recorded in the balance sheet as a component of accumulated other comprehensive income ("AOCI"), until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of operations as cost of goods sold. Safety reclassified approximately $22,000 of previously recorded derivative fair values in AOCI into earnings for the nine months ended September 30, 2004 as a credit to cost of goods sold.

NOTE 13. INDUSTRY SEGMENT AND GEOGRAPHIC INFORMATION

Since the acquisition of Safety Components in September 2003, all financial results from Safety are reported as a separate segment. Safety's results of operations have been included in the Company's consolidated amounts beginning with the fourth quarter of 2003. Accordingly, total assets include amounts attributable to Safety as of September 30, 2004 and 2003, whereas results of operations from Safety are not included for the three and nine months ended September 30, 2003.

The following summarizes certain financial information of each segment as of and for the three months and nine months ended September 30, 2004 and 2003:

	REVENUES	OPERATING INCOME (LOSS)	TOTAL ASSETS	DEPRECIATION AND AMORTIZATION	INTEREST INCOME (EXPENSE) NET	INCOME TAX (PROVISION) BENEFIT	CAPITAL EXPENDITURES
THREE MONTHS ENDED SEPTEMBER 30, 2004							
Safety Components	$ 56,171	$ 2,257	$ 123,689	$ 3,082	$ (186)	$ (653)	$ 1,834
Omega Protein	41,501	2,700	196,351	2,883	82	(911)	6,769
Zap.Com	--	(38)	1,838	--	6	--	--
Corporate	--	(1,277)	48,937	10	94	(481)	--
	$ 97,672	$ 3,642	$ 370,815	$ 5,975	$ (4)	$ (2,045)	$ 8,603
THREE MONTHS ENDED SEPTEMBER 30, 2003							
Safety Components	$ --	$ --	$ 122,293	$ --	$ --	$ --	$ --
Omega Protein	32,151	1,366	186,450	4,217	(178)	(436)	3,029
Zap.Com	--	(41)	1,965	--	5	--	--
Corporate	--	(1,239)	69,247	19	171	(1,659)	26
	$ 32,151	$ 86	$ 379,955	$ 4,236	$ (2)	$ (2,095)	$ 3,055
NINE MONTHS ENDED SEPTEMBER 30, 2004							
Safety Components	$ 191,260	$ 13,394	$ 123,689	$ 9,267	$ (608)	$ (4,572)	$ 4,706
Omega Protein	93,013	6,887	196,351	8,920	(289)	(2,148)	19,409
Zap.Com	--	(128)	1,838	--	15	--	--
Corporate	--	(4,017)	48,937	35	239	(1,936)	--
	$ 284,273	$ 16,136	$ 370,815	$ 18,222	$ (643)	$ (8,656)	$ 24,115
NINE MONTHS ENDED SEPTEMBER 30, 2003							
Safety Components	$ --	$ --	$ 122,293	$--	$ --	$ --	$ --
Omega Protein	84,544	9,487	186,450	9,131	(497)	(3,181)	10,294

Zap.Com	--	(104)	1,965	--	17	--	--
Corporate	--	(3,110)	69,247	57	674	(152)	30
	$ 84,544	$ 6,273	$ 379,955	$ 9,188	$ 194	$ (3,333)	$ 10,324

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS Forward-looking statements in this Form 10-Q, future filings by the Company with the Securities and Exchange Commission ("Commission"), the Company's press releases and oral statements by authorized officers of the Company are intended to be subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainty, including without limitation, the risks set forth under the caption, "Significant Factors That Could Affect Future Performance and Forward-Looking Statements" appearing in Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operation" and those identified from time to time in press releases and other communications with stockholders by the Company and the filings made with the Commission by the Company, Safety Components International, Inc. ("Safety Components" or "Safety"), Omega Protein Corporation ("Omega Protein" or "Omega") and Zap.Com Corporation ("Zap.Com"). The Company believes that forward-looking statements made by it are based on reasonable expectations. However, no assurances can be given that actual results will not differ materially from those contained in such forward-looking statements. The Company assumes no obligation to update forward-looking statements or to update the reasons actual results could differ from those projected in the forward-looking statements.

GENERAL

Zapata Corporation ("Zapata" or "the Company") was incorporated in Delaware in 1954 and was reincorporated in Nevada in April 1999. The Company's principal executive offices are at 100 Meridian Centre, Suite 350, Rochester, New York 14618. Zapata's common stock is listed on the New York Stock Exchange ("NYSE") and trades under the symbol "ZAP."

Zapata is a holding company which currently has two operating companies, Safety Components and Omega Protein. As of September 30, 2004, the Company had a 79% ownership interest in Safety Components and a 59% ownership interest in Omega Protein. Safety Components trades on the over-the counter electronic bulletin board under the symbol "SAFY" and Omega Protein trades on the New York Stock Exchange under the symbol "OME." In addition, Zapata owns 98% of Zap.Com, which is a public shell company and trades on the over-the-counter electronic bulletin board under the symbol "ZPCM."

ZAPATA CORPORATE

On September 23, 2003, Zapata purchased 2,663,905 shares of Safety common stock in privately negotiated transactions for $30.9 million. On October 7, 2003, Zapata purchased an additional 1,498,489 shares of Safety common stock in privately negotiated transactions. These additional shares were purchased for $16.9 million and increased the Company's ownership percentage of Safety's outstanding common stock to approximately 84% at that time. All purchases of Safety's common stock were funded from Zapata's cash and cash equivalents. The Company accounted for these transactions under the purchase method and began consolidating amounts related to Safety's assets and liabilities as of September 30, 2003 and results of operations in the fourth quarter of 2003.

After Zapata acquired more than 80% of its outstanding common stock, Safety Components and its affiliated group of corporations became members of Zapata's affiliated tax group. On March 19, 2004, Zapata and Safety Components entered into a Tax Sharing and Indemnity Agreement to define their respective rights and obligations relating to federal, state and other taxes for taxable periods attributable to the filing of consolidated or combined income tax returns as part of the Zapata affiliated tax group. Pursuant to the Tax Sharing and Indemnity Agreement, Safety Components is required to pay Zapata its share of federal income taxes, if any, for those periods. In addition, each party is required to reimburse the other party for its use of either party's tax attributes for those periods. Similar provisions apply under the Tax Sharing and Indemnity Agreement to other taxes, such as state and local income taxes.

On or about April 1, 2004, Zapata's stock ownership percentage of Safety Components outstanding stock decreased below 80% due to stock option exercises by Safety Components' employees. As a result of Zapata's ownership of Safety Components outstanding stock falling below 80%, Zapata will not consolidate Safety Components into Zapata's consolidated income tax returns for periods subsequent to the first quarter of 2004. Due to this deconsolidation, Zapata Corporate began recording deferred taxes to reflect the impact of the basis difference between "book" and "tax" resulting from the consolidation of Safety Components for book purposes and the deconsolidation for tax purposes. Zapata Corporate will continue to record deferred taxes for this basis difference as long as Safety is consolidated for book purposes and deconsolidated for tax purposes.

The Internal Revenue Code generally prohibits the reconsolidation of companies for a period of 60 months. Therefore, if Zapata's stock ownership percentage in Safety Components increases to 80% or more, there can be no assurance that Safety would be reconsolidated into Zapata's tax filing group before the 61st month after the first taxable year in which it ceased to be a member of such group.

On September 2, 2004, the Malcolm I. Glazer Family Limited Partnership (the "Glazer LP") filed a Schedule 13D indicating that it had acquired 114,700 shares of common stock of Zapata Corporation. As a result of the transaction, the Glazer LP now owns approximately 51.3% of the Company's outstanding common stock.

Zapata's Board of Directors has authorized Zapata to purchase up to 500,000 shares of its outstanding common stock in the open market or privately negotiated transactions. No time limit has been placed on the duration of the program and no minimum number or value of shares to be repurchased has been fixed. As of the date of this report, no shares have been repurchased under this program.

Zapata continues to evaluate strategic opportunities for the use of its capital resources, including the acquisition of other operating businesses, funding of start-up proposals and possible stock repurchases. As of the date of this report, Zapata is not a party to any agreements related to the acquisition of an operating business, business combination or for the sale or other transaction related to any of its subsidiaries. There can be no assurance that any of these possible transactions will occur or that they will ultimately be advantageous to Zapata or enhance Zapata stockholder value.

SAFETY COMPONENTS

Safety Components is a leading, low-cost, independent supplier of automotive airbag fabric and cushions and technical fabrics with operations in North America and Europe. Safety Components sells airbag fabric domestically and cushions worldwide to the major airbag module integrators that outsource such products. Safety Components also manufactures value-added technical fabrics used in a variety of niche industrial and commercial applications such as ballistics material for luggage, filtration, military tents and fire service apparel. The ability to interchange airbag and specialty technical fabrics using the same equipment and similar manufacturing processes allows Safety to more effectively utilize its manufacturing assets and lower per unit overhead costs.

As the automotive airbag industry has evolved, module integrators have outsourced significant portions of non-proprietary components, such as cushions, to companies like Safety Components specializing in the production of individual components. Safety believes that its module integrator customers will continue to outsource a portion of their cushion requirements as they focus on the development of proprietary technologies. Safety also believes that a majority of the module integrators purchase fabric from airbag fabric producers such as Safety. Like the automotive supply industry generally, Safety continues to experience significant competitive pressure. For example, Safety supplies airbag cushions and/or airbag fabric to its three most significant customers based upon releases from formal purchase orders, which typically cover periods of up to twelve months and are subject to periodic negotiation with respect to price and quantity. Safety expects that its customers, including these significant customers, will continue to seek to negotiate lower prices for its products. Although Safety believes that it has good working relationships with its customers due to its high volume and low-cost manufacturing capabilities and consistency of quality products and service, it cannot give assurances that purchases by its module integrator customers will continue at their current levels.

During the second quarter of 2004 one of Safety's largest raw materials suppliers implemented a price increase of approximately 11% on raw material yarn purchased for Safety's North America airbag fabric weaving facility. Safety's management has estimated the impact on the cost of raw material purchases to be approximately $2.0

million for the year ending December 31, 2004. Safety is currently in negotiations with its airbag cushion customers in North America to pass along this increase. However, the outcome of such negotiations cannot be determined at this time.

During the quarter ended September 30, 2004, the Audit Committee of Safety's Board of Directors, with the assistance of special outside counsel and a forensic accounting firm, completed an investigation begun in July 2004 based upon issues raised by a Safety employee who claimed improprieties in Safety's operations in Mexico and California. The thorough investigation of all of the issues raised did not substantiate any of the concerns. Expenses related to the investigation were approximately $550,000 for the three and nine months ended September 30, 2004.

OMEGA PROTEIN

Omega is the largest U.S. producer of protein-rich meal and oil derived from marine sources. Omega's products are produced from menhaden (a herring-like fish found in commercial quantities), and include FAQ (regular grade) and value-added specialty fish meals, crude and refined fish oils and regular and value-added fish solubles. Omega's fish meal products are used as nutritional feed additives by animal feed manufacturers and by commercial livestock producers. Omega's crude fish oil is sold to food producers and feed manufacturers and its refined fish oil products are used in human food and animal feed production and certain industrial applications. Fish solubles are sold as protein additives for animal feed and as fertilizers.

Omega operates four menhaden processing plants: two in Louisiana, one in Mississippi and one in Virginia, as well as a fish oil processing facility also located in Virginia. The four plants have an aggregate annual processing capacity of 950,000 tons of fish. Omega also completed a new 100-metric ton per day fish oil processing facility in Reedville, Virginia in October 2004, which replaced its existing fish oil processing facility.

Omega operates through three material subsidiaries: Omega Protein, Inc., Omega Shipyard, Inc. and Omega Protein Mexico, S. de R.L. de C.V. ("Omega Mexico"). Omega Protein, Inc. is Omega's principal operating subsidiary for its menhaden processing business and is the successor to a business conducted since 1913. Omega Shipyard, Inc. owns a drydock facility in Moss Point, Mississippi, which is used to provide shoreside maintenance for Omega's fishing fleet and, subject to outside demand and excess capacity, third-party vessels. Revenues from shipyard work for third-party vessels for the nine months ended September 30, 2004 were not material. Omega Mexico is a subsidiary formed in 2002 for Omega's meal and oil sales and purchases in Mexico. Omega also has a number of other immaterial direct and indirect subsidiaries. Three former subsidiaries, Protein Operating Company, Protein USA Company and Protein Securities Company, were merged into Omega Protein, Inc. in 2003.

Omega produces and sells a variety of protein and oil products derived from menhaden, a species of wild herring-like fish found along the Gulf of Mexico and Atlantic coasts. The fish is not genetically modified or genetically enhanced. Omega processes several grades of fish meal (regular or "FAQ" meal and specialty meals), as well as fish oil and fish solubles. Omega's fish meal products are primarily used as a protein ingredient in animal feed for swine, cattle, aquaculture and household pets. Fish oil is utilized for animal and aquaculture feeds, industrial applications, and additives to human food products. Omega's fish solubles are sold primarily to livestock feed manufacturers, aquaculture feed manufacturers and for use as an organic fertilizer. All of Omega's products contain healthy long-chain Omega-3 fatty acids rich in EPA (eicosapentaenoic acid) and DHA (docosahexaenoic acid). Omega-3 fatty acids are commonly referred to as "essential fatty acids" because the body does not produce them. Instead, essential fatty acids must be obtained from outside sources, such as food or special supplements. Long-chain Omega-3s are also commonly referred to as a "good fat" for their health benefits, as opposed to the "bad fats" that create or aggravate health conditions through long-term consumption. Scientific research suggest that long-chain Omega-3s as part of a balanced diet may provide significant benefits for health issues such as cardiovascular disease, inflammatory conditions and other ailments. Under its patented production process, Omega produces OmegaPure (R) , a taste-free, odorless refined fish oil that is the only marine source of long-chain Omega-3s directly affirmed by the U.S. Food and Drug Administration ("FDA") as a food ingredient which is Generally Recognized as Safe ("GRAS"). In September 2004, the FDA announced that scientific evidence indicates that long-chain Omega-3 fatty acids containing both EPA and DHA may be beneficial in reducing coronary heart disease.

The fish catch is processed into FAQ grade fish meal, specialty fish meals, fish oils and fish solubles at Omega's four operating plants. Omega utilized 38 fishing vessels, 2 carry vessels and 34 spotter craft in the harvesting operations during 2003. For its 2004 season, Omega added one additional fishing vessel to its operations. Menhaden are harvested offshore the U.S. mid-Atlantic and Gulf of Mexico coasts. In 2000, Omega converted several of its fishing vessels to "carry vessels" that do not engage in active fishing but instead carry fish from Omega's offshore fishing vessels to its plants. Utilization of carry vessels increases the amount of time that certain of Omega's fishing vessels remain offshore fishing productive waters and therefore increases Omega's fish catch per vessel employed. The carry vessels have reduced crews and crew expenses and incur less maintenance cost than the actual fishing vessels.

Omega's harvesting season generally extends from May through December on the mid-Atlantic coast and from April through October on the Gulf coast. During the off-season and the first few months of each fishing season, Omega fills purchase orders from the inventory it has accumulated during the previous fishing season. Prices for Omega's products tend to be lower during the fishing season when product is more abundant than in the off-season. Throughout the entire year, prices are significantly influenced by supply and demand in world markets for competing products, particularly other globally produced fish meal and fish oil as well as other animal proteins and soybean meal for its fish meal products and vegetable fats and oils for its fish oil products when used as an alternative to vegetable fats and oils.

Pricing for Omega's products has been volatile in the past several years and is attributable mainly to the international availability, or the perceived international availability, of fish meal and fish oil inventories. In an effort to reduce price volatility and to generate higher, more consistent profit margins, in fiscal 2000 Omega embarked on a quality control program designed to increase its capability of producing higher quality fish meal products and, in conjunction therewith, enhanced it sales efforts to penetrate premium product markets. Since 2000, Omega's sales volumes of specialty meal products have increased approximately 11.0%. Future volumetric growth in specialty meal sales will be dependant upon increased harvesting efforts and market demand. Additionally, Omega is attempting to introduce its refined fish oil into the food market. Omega has made sales, which to date have not been material, of its refined fish oil, trademarked OmegaPure (R) to food manufacturers in the United States and Canada at prices that provide substantially improved margins over the margins that can be obtained from selling non-refined fish oil. Omega cannot estimate, however, the size of the actual domestic or international markets for OmegaPure (R) or how long it may take to develop these markets.

During 2002, Omega developed a business plan to expand its purchase and resale of other manufacturers' fish meal and fish oil products and engaged a full-time consultant to implement Omega's business plan which focused initially on the purchase and resale of Mexican fish meal and fish oil. In 2002, revenues generated from these types of transactions represented less than 1% of total revenues. During 2003, Omega's fish catch and resultant product inventories were reduced, primarily due to adverse weather conditions. Omega supplemented its inventories and subsequent sales by purchasing other fish meal and oil products. Although operating margins from these activities are less than the margins typically generated from Omega's base domestic production, these operations provide Omega with a source of fish meal and oil to sell into other markets where Omega has not historically had a presence. Omega purchased products totaling approximately 16,900 and 12,500 tons, or approximately 4.3% and 5% of total volume sales for the nine months ending September 30, 2004 and the fiscal year ended December 31, 2003, respectively.

During 2003, Omega experienced a poor fish catch (approximately 11% below expectations and a similar reduction from 2002), combined with poor oil yields. The reduced fish catch was primarily attributable to adverse weather conditions and the poor oil yields due to the reduced fat content of the fish. As a result of the poor fish catch and reduced yields, Omega experienced significantly higher per unit product costs (approximately 15% increase) during 2003 compared to 2002. The impact of higher cost inventories and fewer volumes available for sale has been carried forward and has adversely affected Omega's earnings through the first two quarters of 2004.

During 2004, Omega's fishing efforts in the Gulf of Mexico were hampered by numerous hurricanes which resulted in lower fish catches than predicted. As a result, Omega's per unit product costs were higher than anticipated and were comparable to the 2003 season. Such reduced fish catch quantities results in higher cost inventories and correspondingly higher cost of sales, as well as less available product for sale. The impact of the higher cost inventories and fewer volumes available for sale will be carried forward and is expected to adversely affect Omega's earnings in the fourth quarter of fiscal 2004 as well as the first and second quarters of fiscal 2005.

Historically, approximately 35% to 40% of Omega's FAQ grade fish meal was sold on a two-to-twelve-month forward contract basis. The balance of FAQ grade fish meal and other products was substantially sold on a spot basis through purchase orders. In 2002, Omega began a similar forward sales program for its specialty grade meals and crude fish oil due to increasing demand for these products. During 2003 and 2004, approximately 50% of Omega's specialty meals and crude fish oil had been sold on a forward contract basis. Omega's annual revenues are highly dependent on both annual fish catch and inventories and, in addition, inventory is generally carried over from one year to the next year. Omega determines the level of inventory to be carried over based on prevailing market prices of the products, and sales volumes that will fluctuate from quarter to quarter and year to year. Omega's fish meal products have a useable life of approximately one year from date of production; however, Omega typically attempts to empty its warehouses of the previous season's meal products by the second or third month of the new fishing season. Omega's crude fish oil products do not lose efficacy unless exposed to oxygen and, therefore, their storage life typically is longer than that of fish meal.

The following table sets forth Omega's revenues by product (in millions) and the approximate percentage of total revenues represented thereby, for the indicated periods:

	THREE MONTHS ENDED SEPTEMBER 30,				NINE MONTHS ENDED SEPTEMBER 30,			
	2004		2003		2004		2003	
	REVENUES	PERCENT	REVENUES	PERCENT	REVENUES	PERCENT	REVENUES	PERCENT
Regular Grade	$ 6.9	16.6%	$ 7.2	22.4%	$16.6	17.8%	$16.0	19.0%
Special Select	19.0	45.8	10.0	31.1	39.5	42.5	29.5	34.9
Sea-Lac	4.9	11.8	2.9	9.0	13.1	14.1	11.0	13.0
Crude Oil	9.2	22.2	10.7	33.2	18.8	20.2	23.6	27.9
Refined Oil	1.1	2.6	1.0	3.1	3.5	3.8	2.8	3.3
Fish Solubles	0.4	1.0	0.4	1.2	1.5	1.6	1.6	1.9
Total	$41.5	100.0%	$32.2	100.0%	$93.0	100.0%	$84.5	100.0%

The marine protein and oil business is subject to significant competition from producers of vegetable and other animal protein products and oil products such as Archer Daniels Midland and Cargill. In addition, Omega competes with smaller domestic privately-owned menhaden fishing companies and international marine protein and oil producers, including Scandinavian herring processors and South American anchovy and sardine processors. Many of these competitors have greater financial resources and more extensive operations than Omega. Omega competes on price, quality and performance characteristics of its products, such as protein level and amino acid profile in the case of fish meal. The principal competition for Omega's fish meal and fish solubles is from other global production of marine proteins as well as other protein sources such as soybean meal and other vegetable or animal protein products. Omega believes, however, that these other non-marine sources are not complete substitutes because fish meal offers nutritional values not contained in such other sources. Other globally produced fish oils provide the primary market competition for Omega's fish oil, as well as soybean and palm oil, from time to time.

Fish meal prices have historically borne a 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 Omega's products are established by worldwide supply and demand relationships over which Omega has no control and tend to fluctuate significantly over the course of a year, and from year to year.

Omega announced in April 2003, that it had committed to build a new 100-metric ton per day fish oil processing facility at its Reedville, Virginia location. Construction on the project began in June 2003 and was completed in October 2004. The cost of the project was approximately $18.3 million. Omega funded the project through its available cash balances.

Omega's principal raw material is menhaden, a species of fish that inhabits coastal and inland tidal waters in the United States. Menhaden are undesirable for direct human consumption due to their small size, prominent bones and high oil content. Certain state, intra-state and federal agencies impose resource depletion restrictions on menhaden pursuant to fisheries management legislation or regulations. To date, Omega has not experienced any material adverse impact on its fish catch or results of operations as a result of these restrictions, although it is possible that it may do so in the future.

Omega from time to time considers potential transactions including, but not limited to, enhancement of physical facilities to improve production capabilities and the acquisition of other businesses. Certain of the potential transactions reviewed by Omega would, if completed, result in its entering new lines of business (generally including certain businesses to which Omega sells its products such as pet food manufacturers, aquaculture feed manufacturers, fertilizer companies and organic foods distributors) although historically, reviewed opportunities have been generally related in some manner to Omega's existing operations. Although Omega does not, as of the date hereof, have any commitment with respect to a material acquisition, it could enter into such agreement in the future.

A general hardening of the world insurance markets in recent years has made Omega's insurance more costly in recent years. In response, Omega has elected to increase its deductibles and self-retentions in order to achieve lower insurance premium costs. These higher deductibles and self-retentions will expose Omega to greater risk of loss if claims occur.

Omega's menhaden harvesting and processing business is seasonal in nature. Omega generally has higher sales during the menhaden harvesting season (which includes the second and third quarter of each fiscal year) due to increased product availability. Prices during the fishing season tend to be lower than during the off-season. As a result, Omega's quarterly operating results have fluctuated in the past and may fluctuate in the future. In addition, from time to time Omega defers sales of inventory based on worldwide prices for competing products that affect prices for Omega's products which may affect comparable period comparisons.

ZAP.COM

Zap.Com is a public shell company which does not have any existing business operations. From time to time, Zap.Com considers acquisitions that would result in it becoming an operating company. Zap.Com may also consider developing a new business suitable for its situation.

CONSOLIDATED RESULTS OF OPERATIONS

The following tables summarize Zapata's consolidating results of operations (in thousands):

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)(2)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED SEPTEMBER 30, 2004					
Revenues	$ --	$ 56,171	$ 41,501	$ --	$ 97,672
Cost of revenues	--	47,427	36,376		83,803
Gross profit	--	8,744	5,125		13,869
Operating expense:					
Selling, general and administrative	1,277	6,487	2,425	38	10,227
Operating (loss) income	(1,277)	2,257	2,700	(38)	3,642
Other income (expense)					
Interest income (expense), net	94	(186)	82	6	(4)
Other, net	--	381	(55)	--	326
(Loss) income before income taxes and minority interest	(1,183)	2,452	2,727	(32)	3,964
Provision for income taxes	(481)	(653)	(911)	--	(2,045)
Minority interest in net income (loss) of consolidated subsidiaries(3)	--	(401)	(735)	1	(1,135)
Net (loss) income to common stockholders	$ (1,664)	$ 1,398	$ 1,081	$ (31)	$ 784
Diluted earnings per share					$ 0.32

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)(2)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED SEPTEMBER 30, 2003					
Revenues	$ --	$ --	$ 32,151	$ --	$ 32,151
Cost of revenues	--	--	28,553	--	28,553
Gross profit	--	--	3,598	--	3,598
Operating expense:					
Selling, general and administrative	1,239	--	2,232	41	3,512
Operating (loss) income	(1,239)	--	1,366	(41)	86
Other income (expense)					
Interest income (expense), net	171	--	(178)	5	(2)
Other, net	--	--	(12)	--	(12)
(Loss) income before income taxes and minority interest	(1,068)	--	1,176	(36)	72
Provision for income taxes	(1,659)	--	(436)	--	(2,095)
Minority interest in net income (loss) of consolidated subsidiaries(3)	--	--	(295)	1	(294)
Net (loss) income to common stockholders	$ (2,727)	$ --	$ 445	$ (35)	$ (2,317)
Diluted loss per share					$ (0.97)

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)(2)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
NINE MONTHS ENDED SEPTEMBER 30, 2004					
Revenues	$ --	$ 191,260	$ 93,013	$ --	$ 284,273
Cost of revenues	--	160,240	78,821	--	239,061
Gross profit	--	31,020	14,192	--	45,212
Operating expense:					
Selling, general and administrative	4,017	17,626	7,305	128	29,076
Operating (loss) income	(4,017)	13,394	6,887	(128)	16,136
Other income (expense)					
Interest income (expense), net	239	(608)	(289)	15	(643)
Other, net	--	260	(161)	--	99
(Loss) income before income taxes and minority interest	(3,778)	13,046	6,437	(113)	15,592
Provision for income taxes	(1,936)	(4,572)	(2,148)	--	(8,656)
Minority interest in net income (loss) of consolidated subsidiaries(3)	--	(1,780)	(1,740)	2	(3,518)
Net (loss) income to common stockholders	$ (5,714)	$ 6,694	$ 2,549	$ (111)	$ 3,418
Diluted earnings per share					$ 1.41

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)(2)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
NINE MONTHS ENDED SEPTEMBER 30, 2003					
Revenues	$ --	$ --	$ 84,544	$ --	$ 84,544
Cost of revenues	--	--	68,346	--	68,346
Gross profit	--	--	16,198	--	16,198
Operating expense:					
Selling, general and administrative	3,110	--	6,711	104	9,925
Operating (loss) income	(3,110)	--	9,487	(104)	6,273
Other income (expense)					
Interest income (expense), net	674	--	(497)	17	194
Other, net	--	--	--	(42)	(42)
(Loss) income before income taxes and minority interest	(2,436)	--	8,948	(87)	6,425
Provision for income taxes	(152)	--	(3,181)	--	(3,333)
Minority interest in net income (loss) of consolidated subsidiaries(3)	--	--	(2,295)	2	(2,293)
Net (loss) income to common stockholders	$ (2,588)	$ --	$ 3,472	$ (85)	$ 799
Diluted earnings per share					$ 0.33

(1) Safety's results of operations have been included in Zapata's consolidated results of operations for the three months and nine months ended September 30, 2004. As a result of the acquisition of Safety in September 2003, the Company began consolidating amounts related to Safety's operations during the fourth quarter of 2003. Accordingly, no amounts were included in the three months and nine months ended September 30, 2003.

(2) At the time of the Safety acquisition, Zapata had the choice of whether to apply push-down basis of accounting, and elected not to do so. Accordingly, all of the purchase accounting adjustments have been maintained on Zapata's books and records and are reflected in the "Safety Components" segment.

(3) Minority interest represents the minority stockholders' interest in the net income (loss) of each segment.

For more information concerning segments, see Note 14 to the Company's Consolidated Financial Statements included in Item 1 of this Report.

THREE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

Zapata reported consolidated net income of $784,000 or $.32 per diluted share on consolidated revenues of $97.7 million for the three months ended September 30, 2004 as compared to a consolidated net loss of $2.3 million or $0.97 per diluted share on consolidated revenues of $32.2 million for the three months ended September 30, 2003. The increase in consolidated revenues was primarily the result of consolidating Safety's results of operations for the period and increased revenues at Omega Protein. As a result of the Safety Components acquisition, the Company began consolidating amounts related to Safety's operations during the fourth quarter of 2003. On a consolidated basis, the recognition of net income during the current period as compared to net loss during the same period in the prior year was primarily due to the consolidation of Safety's operating results, increased net income recognized by

Omega, and the establishment of a deferred tax valuation allowance related to certain tax benefit carry-forwards that occurred during the three months ended September 30, 2003.

The following is a more detailed discussion of Zapata's consolidated operating results for the quarter:

REVENUES. Consolidated revenues increased $65.5 million from $32.2 million for the three months ended September 30, 2003 to $97.7 million for the three months ended September 30, 2004. This increase was primarily attributable to the consolidation of Safety's revenues of $56.2 million for the current period and a $9.4 million increase in revenues at Omega. Omega's revenues for the three months ended September 30, 2004 were $41.5 million, an increase of 29% from the comparable period of the prior year. Omega's increase in revenue was attributable to increased prices for fish meal and fish oil of 8% and 24% respectively, as well as a 44% increase in the sales volume of fish meal.

COST OF REVENUES. Zapata's consolidated cost of revenues for the three months ended September 30, 2004 was $83.8 million, a $55.3 million increase from $28.6 million for the comparable period of the prior year. This increase was primarily attributable to the consolidation of Safety's cost of revenues of $47.4 million for the quarter ended September 30, 2004 and a $7.8 million increase in cost of revenues at Omega Protein. Omega's cost of revenues for the three months ended September 30, 2004 were $36.4 million, an increase of 27% from the comparable period of the prior year. Omega's cost of sales as a percentage of revenues decreased by 1% to 88% for the three months ended September 30, 2004. Omega's cost of sales for each of the periods presented were higher than historical averages due primarily to weather related events in both periods which resulted in reduced fish catches, causing higher per unit cost of inventory.

SELLING, GENERAL AND ADMINISTRATIVE. Consolidated selling, general, and administrative expenses increased $6.7 million from $3.5 million for the three months ended September 30, 2003 to $10.2 million for the three months ended September 30, 2004. This increase was primarily attributable to the consolidation of $6.5 million of selling, general and administrative costs related to Safety for the current quarter.

INTEREST INCOME, NET. Net interest income decreased $2,000 from net interest expense of $2,000 for the three months ended September 30, 2003 to net interest expense of $4,000 for the three months ended September 30, 2004. This decrease was primarily attributable to the consolidation of Safety's net interest expense of $186,000 and $77,000 of decreased interest income at Zapata Corporate for the current period as compared to the comparable period of the prior year resulting from the Company's lower principal balance of cash and cash equivalents after spending $47.8 million in 2003 to purchase a majority interest in Safety Components. These decreases was largely offset by Omega's increase in net interest income of approximately $260,000 due to the capitalization of interest associated with the construction of Omega's new fish oil procession facility.

INCOME TAXES. The Company recorded a consolidated provision for income taxes of $2.0 million for the three months ended September 30, 2004 as compared to $2.1 million for the comparable period of the prior year. For the three months ended September 30, 2004, Zapata Corporate's provision decreased by $1.2 million as compared to the comparable period of the prior year. Zapata Corporate's period over period decrease in provision was primarily the result of a provision recorded in the prior year which established a deferred tax valuation allowance for certain tax benefit carry-forwards. On a consolidated basis, Zapata Corporate's decrease was largely offset by Safety's provision of $653,000 and Omega's provision increase of $475,000 which resulted from an increase in pre-tax income recognized during the three months ended September 30, 2004.

The Company's effective tax rate for the three months ended September 30, 2004 was 52%. The high effective rate was primarily the result of Zapata Corporate's current quarter recognition of a $481,000 provision which reflects $997,000 of deferred tax liabilities recorded to reflect the Company's tax effected proportionate share of Omega and Safety's net income recognized during the period. For all periods in which any of the Company's subsidiaries are consolidated for book purposes and not consolidated for tax purposes, Zapata will recognize a provision or benefit to reflect the increase or decrease in the difference between the Company's book and tax basis in each subsidiary. The provision or benefit will be equal to the sum of the Company's tax effected proportionate share of each subsidiary's net income or loss. Accordingly, the Company's effective tax rate for each period can vary significantly depending on the changes in the underlying difference between the Company's book and tax basis in its subsidiaries.

MINORITY INTEREST. Minority interest from the consolidated statements of operations represents the minority stockholders' interest in the net income or net loss of the Company's subsidiaries (approximately 21% of Safety Components, approximately 41% of Omega Protein and approximately 2% of Zap.Com). Increases or decreases in Zapata's ownership of its subsidiary's common stock will result in corresponding decreases or increases in the minority stockholders' interest in the net income or loss of Zapata's subsidiaries. For example, should Zapata's ownership percentage of Safety Components continue to decline due to stock option exercises of its employees, minority interest would increase and Zapata would consolidate less of Safety's net income or loss recognized during future periods. For the three months ended September 30, 2004, minority interest was a $1.2 million reduction to net income for the minority interest's share in the net incomes of Safety Components and Omega Protein, partially offset by the minority interest's share in the net loss of Zap.Com.

NINE MONTHS ENDED SEPTEMBER 30, 2004 AND 2003

Zapata reported consolidated net income of $3.4 million or $1.41 per diluted share on consolidated revenues of $284.3 million for the nine months ended September 30, 2004 as compared to consolidated net income of $799,000 or $.33 per diluted share on consolidated revenues of $84.5 million for the nine months ended September 30, 2003. The increase in consolidated revenues was primarily the result of consolidating Safety's results of operations for the period and increased revenues at Omega Protein. The increase in consolidated net income resulted from the consolidating of Safety's results of operations for the period, offset by the tax effects of Safety's deconsolidation for tax purposes and a decrease in net income contributed by Omega Protein.

The following is a more detailed discussion of Zapata's consolidated operating results for the nine month period:

REVENUES. Consolidated revenues increased $199.8 million from $84.5 million for the nine months ended September 30, 2003 to $284.3 million for the nine months ended September 30, 2004. This increase was primarily attributable to the consolidation of Safety's revenues of $191.3 million for the current period and an $8.5 million increase in revenues at Omega. Omega's revenues for the nine months ended September 30, 2004 were $93.0 million, an increase of 10% from the comparable period of the prior year. Omega's increase in revenues is attributable to a 6% and 13% increase in the prices for Omega's fish meal and fish oil, respectively, along with a 16% increase in sales volume of fish meal.

COST OF REVENUES. Zapata's consolidated cost of revenues for the nine months ended September 30, 2004 was $239.1 million, a $170.8 million increase from $68.3 million for the comparable period of the prior year. This increase was primarily attributable to the consolidation of Safety's cost of revenues of $160.2 million for the nine months ended September 30, 2004 and a $10.5 million increase in cost of revenues at Omega Protein. Omega's cost of revenues was $78.8 million, a 15% increase from $68.3 million for the nine months ended September 30, 2003. Omega's cost of sales as a percentage of revenues increased 4% to 85% for the nine months ended September 30, 2004 as compared to the nine months ended September 30, 2003. Omega's increase in cost of sales was primarily due to higher fiscal 2003 inventory costs carried forward into 2004, combined with the 2004 reduced fish catch brought about by adverse weather conditions in the Gulf of Mexico.

SELLING, GENERAL AND ADMINISTRATIVE. Consolidated selling, general, and administrative expenses increased $19.2 million from $9.9 million for the nine months ended September 30, 2003 to $29.1 million for the nine months ended September 30, 2004. This increase was primarily attributable to the consolidation of $17.6 million of selling, general and administrative costs related to Safety for the current period. Zapata Corporate's selling, general and administrative costs increased $907,000 in the nine months ended September 30, 2004 as compared to the similar period in the prior year. In 2003, Zapata Corporate experienced a one-time $800,000 reduction of a legal reserve resulting from a favorable development in a legal action pending against a non-operating wholly-owned subsidiary of Zapata, combined with a reduction in a reserve for benefits for former employees of non-operating wholly-owned subsidiaries of Zapata which decreased selling general and administrative costs in comparison to 2004. In addition, Omega's selling, general, and administrative expenses increased $594,000 from $6.7 million for the nine months ended September 30, 2003 as compared to $7.3 million for the comparable period of the current year. This increase was attributable primarily to increased consulting expenditures related to Omega's governmental relations program and its Sarbanes-Oxley 404 compliance efforts.

INTEREST INCOME, NET. Interest income, net decreased $836,000 from net interest income of $194,000 for the nine months ended September 30, 2003 to net interest expense of $643,000 for the nine months ended September 30, 2004. This decrease was primarily attributable to the acquisition of Safety Components and the consolidation of Safety's net interest expense of $608,000 for the nine months ended September 30, 2004, as well as decreased interest income of $435,000 at Zapata Corporate resulting from lower interest rates on cash, cash equivalents and short-term investments as well as a lower principal balance of cash and cash equivalents after spending $47.8 million in 2003 to purchase a majority interest in Safety Components. This decrease was offset by Omega's increase in net interest income of approximately $208,000 due to the capitalization of interest associated with the construction of Omega's new fish oil procession facility.

INCOME TAXES. The Company recorded a consolidated provision for income taxes of $8.7 million for the nine months ended September 30, 2004 as compared to $3.3 million for the comparable period of the prior year. The period over period increase in the consolidated provision was primarily the result of the consolidation of Safety's provision of $4.6 million, and Zapata Corporate's provision increase of approximately $1.8 million. Zapata Corporate's period over period increase was primarily the result of the recognition deferred tax liabilities recorded to reflect the Company's tax effected proportionate share of Safety's net income recognized during the period. Zapata Corporate's period over period increase was partially offset by a provision recorded in the prior year which established a deferred tax valuation allowance for certain tax benefit carry-forwards. Omega's provision decreased by $1.0 million due to a decrease in pre-tax income recognized during the nine months ended September 30, 2004.

The Company's effective tax rate for the nine months ended September 30, 2004 was 56%. The high effective rate was primarily the result of Zapata Corporate's recognition of a $1.9 million provision which reflects $3.5 million of deferred tax liabilities recorded to reflect the Company's tax effected proportionate share of Omega and Safety's net income recognized during the period.

MINORITY INTEREST. Minority interest from the consolidated statements of operations represents the minority stockholders' interest in the net income or net loss of the Company's subsidiaries (approximately 21% of Safety Components, approximately 41% of Omega Protein and approximately 2% of Zap.Com). For the nine months ended September 30, 2004, minority interest was a $3.5 million reduction to net income for the minority interest's share in the net incomes of Safety Components and Omega Protein, partially offset by the minority interest's share in the net loss of Zap.Com.

LIQUIDITY AND CAPITAL RESOURCES

Zapata, Safety Components, Omega Protein and Zap.Com are separate public companies. Accordingly, the capital resources and liquidity of Safety Components, Omega Protein and Zap.Com are legally independent of Zapata. The working capital and other assets of Safety Components, Omega Protein and Zap.Com are dedicated to their respective operations and are not expected to be readily available for the general corporate purposes of Zapata, except for any dividends that may be declared and paid to their respective stockholders. The credit facilities of Safety Components and Omega Protein prohibit dividends from being declared or paid with respect to their outstanding capital stock, including the shares held by Zapata. For the foreseeable future, Zapata does not expect to receive cash dividends on its Safety Components, Omega Protein or Zap.Com shares.

The current source of liquidity of Zapata Corporate (Zapata Corporation exclusive of its majority owned subsidiaries Safety Components, Omega Protein, and Zap.Com) is its cash, cash equivalents and short-term investments and the interest income it earns on these funds. Zapata expects these assets to continue to be a source of liquidity except to the extent that they may be used to fund any acquisitions of operating companies, the minority interest of controlled subsidiaries, or repurchases of Zapata stock. Zapata Corporate's investments consist of U.S. Government agency securities and cash equivalents. As of September 30, 2004, Zapata Corporate's cash, cash equivalents and short-term investments were $29.3 million as compared to $31.6 million as of December 31, 2003.

In addition to its cash, cash equivalents, short-term investments and interest income, Zapata Corporate has a potential secondary source of liquidity in its publicly traded securities of Safety Components, Omega Protein and Zap.Com. These holdings constitute "restricted stock" under SEC Rule 144 and may only be sold in the public market pursuant to an effective registration statement under the Securities Act of 1933 and under any required state securities laws or pursuant to an available exemption. These and other securities law restrictions could prevent or delay any sale by Zapata of these securities or reduce the amount of proceeds that might otherwise be realized therefrom. Currently, all of Zapata's equity securities holdings are eligible for sale under Rule 144. Zapata also has demand and piggyback registration rights for its Omega Protein and Zap.Com shares. The low trading volumes for Safety Components, Omega Protein and Zap.Com common stock may make it difficult for Zapata to publicly sell any significant number of shares.

Zapata Corporate's liquidity needs are primarily for operating expenses, litigation, insurance costs and possible Zapata stock repurchases. Zapata Corporate may also invest a significant portion of its cash, cash equivalents and short-term investments in the purchase of operating companies or as additional investments in its majority-owned subsidiaries. Zapata management believes that, based on current levels of operations and anticipated growth, cash flow from operations, together with other available sources of funds, will be adequate to fund its operational and capital requirements for at least the next twelve months. Depending on the size and terms of future acquisitions of operating companies or of the minority interest of controlled subsidiaries, Zapata may raise additional capital through the issuance of equity or debt. There is no assurance, however, that such capital will be available at the time, in the amounts necessary or with terms satisfactory to Zapata.

CONTRACTUAL OBLIGATIONS

As of September 30, 2004, the Company's consolidated contractual obligations and other commercial commitments, as well as those of Zapata Corporate, have not changed materially from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

OFF-BALANCE SHEET ARRANGEMENTS

As of September 30, 2004, the Company's off-balance sheet arrangements have not changed materially from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

SUMMARY OF CASH FLOWS

The following table summarizes Zapata's consolidating cash flow information (in thousands):

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
NINE MONTHS ENDED SEPTEMBER 30, 2004					
CASH (USED IN) PROVIDED BY					
Operating activities	$ (2,349)	$ 8,296	$ 18,451	$ (77)	$ 24,321
Investing activities	29,351	(4,706)	(19,343)	--	5,302
Financing activities	--	(860)	(550)	--	(1,410)
Effect of exchange rate changes on cash and cash equivalents	--	46	(12)	--	34
Net increase (decrease) in cash and cash equivalents	$ 27,002	$ 2,776	$ (1,454)	$ (77)	$ 28,247

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
NINE MONTHS ENDED SEPTEMBER 30, 2003					
CASH (USED IN) PROVIDED BY					
Operating activities	$ (4,207)	$ --	$ 1,428	$ (106)	$ (2,885)
Investing activities	5,910	--	(10,114)	--	(4,204)
Financing activities	10	--	243	--	253
Effect of exchange rate changes on cash and cash equivalents	--	--	21	--	21
Net increase (decrease) in cash and cash equivalents	$ 1,713	$ --	$ (8,422)	$ (106)	$ (6,815)

(1) Safety's cash flow information has been included in Zapata's consolidated cash flows for the nine months ended September 30, 2004. As a result of the acquisition of Safety in September 2003, the Company began consolidating amounts related to Safety's operations during the fourth quarter of 2003. Accordingly, no amounts were included in the nine months ended September 30, 2003.

NET CASH PROVIDED BY OPERATING ACTIVITIES. For the nine months ended September 30, 2004, the Company had consolidated cash provided by operating activities of $24.3 million as compared to consolidated cash used in operating activities of $2.9 million for the comparable period of the prior year. The increase in consolidated cash provided by operating activities was primarily due to an increase in cash provided by operating activities at Omega Protein which was largely the result of the timing of changes in balances of certain assets and liabilities. The increase was also attributable to the consolidation of amounts related to Safety operations, and a reduction in cash used in operating activities at Zapata Corporate. Zapata Corporate's decreased in cash used in operating activities was primarily due to the timing of changes in the balances of certain assets and liabilities, partially offset by lower net income.

NET CASH USED IN INVESTING ACTIVITIES.

The change from net cash used in investing activities in the prior period as compared to net cash provided by investing activities was primarily related to Zapata's purchase of Safety's common stock during the third quarter of 2003. The decrease in cash used in investing activities was largely offset by an increase in cash used in investing activities at Omega Protein primarily due to expenditures associated with the construction of Omega's new fish oil processing facility. The decrease was also offset by the consolidation of amounts related to Safety Components. Omega anticipates making approximately $21.7 million of capital expenditures during 2004, of which approximately $11.9 million was dedicated to the new fish oil processing facility and the remainder will be used to refurbish vessels and plant assets and to repair certain equipment. Safety Components anticipates making approximately $3.3 million of capital expenditures during the remainder of 2004. These expenditures will be made to sustain Safety's growth of operations. Safety anticipates that it will fund these expenditures through a combination of cash flows from operations, equipment financing and the use of its line of credit.

Variations in the Company's consolidated net cash (used in) provided by investing activities are typically the result of the change in the mix of cash and cash equivalents and short and long-term investments during the period. All highly liquid investments with original maturities of three months or less are considered to be cash equivalents and all investments with original maturities of greater than three months are classified as either short or long-term investments. For example, as of December 31, 2003, the Company had $29.4 million of short-term investments and none as of September 30, 2004. This change in the mix of cash and cash equivalents and short-term investments appears as proceeds from investing activities in the current period's Unaudited Condensed Consolidated Statement of Cash Flows.

NET CASH USED IN FINANCING ACTIVITIES. Consolidated cash used in financing activities was $1.4 million as compared to provided by financing of $253,000 for the comparable period in the prior year. The change from net cash provided by financing activities to net cash used by financing activities was primarily due to the consolidation of amounts related to Safety Components and Omega's change from cash provided by financing activities to cash used by financing activities. Omega's change to cash used in financing activities was primarily the result of lower proceeds from stock options exercised and increased payments on debt obligations during the current period as compared to the same period in the prior year.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

As of September 30, 2004, the Company's consolidated critical accounting policies and estimates have not changed materially from those set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2003.

SIGNIFICANT FACTORS THAT COULD AFFECT FUTURE PERFORMANCE AND FORWARD-LOOKING STATEMENTS

1. Zapata believes that its results of operations, cash flows and financial condition could be negatively impacted by certain risks and uncertainties, including, without limitation, the risks and uncertainties identified in Zapata's other public reports and filings made with the SEC, press releases and public statements made by authorized officers of Zapata from time to time and those risks and uncertainties set forth below.

- Risks associated with the fact that a significant portion of Zapata's assets have consisted of securities, including equity and other interests in its operating companies. This could subject Zapata to the registration requirements of the Investment Company Act of 1940 (the "Investment Company Act"). The Investment Company Act requires registration of, and imposes substantial restrictions on, certain companies that engage, or propose to engage, primarily in the business of investing, reinvesting, owning, holding or trading in securities, or that fail certain statistical tests concerning a company's asset composition and sources of income. Zapata intends to actively participate in the management of its operating companies, consistent with applicable laws, contractual arrangements and other requirements. Accordingly, Zapata believes that it is primarily engaged in a business other than investing, reinvesting, owning, holding or trading in securities. Further, Zapata endeavors to ensure that its holdings of investment securities constitute less than 40% of its total assets (excluding Government securities and cash) on an unconsolidated basis. Zapata intends to monitor and attempt to adjust the nature of its interests in and involvement with operating companies in order to avoid subjecting Zapata to the registration requirements of the Investment Company Act. There can be no assurance, however, that Zapata's business activities will not ultimately subject Zapata to the Investment Company Act. If Zapata were required to register as an investment company under the Investment Company Act, it would become subject to regulations that would have a material adverse impact on its financial position, results of operations and cash flows.

- Risks associated with the personal holding company penalty tax. Section 541 of the Internal Revenue Code of 1986, as amended (the "IRC"), subjects a corporation, which is a "personal holding company" as defined in the IRC, to a 15% penalty tax on "undistributed personal holding company income" in addition to the corporation's normal income tax. Generally, undistributed personal holding company income is based on taxable income, subject to certain adjustments, most notably a reduction for Federal incomes taxes. Personal holding company income is comprised primarily of passive investment income plus, under certain circumstances, personal service income. Zapata and its domestic subsidiaries (other than Safety and Omega) could become subject to the penalty tax if (i) 60% or more of its adjusted ordinary gross income is personal holding company income and (ii) 50% or more of its outstanding common stock is owned, directly or indirectly, by five or fewer individuals at any time during the last half of the taxable year. The Company believes that five or fewer of Zapata's stockholders hold 50% or more of its outstanding common stock for purposes of IRC Section 541. However, as of September 30, 2004, Zapata and its domestic subsidiaries (other than Safety and Omega) had no undistributed personal holding company income and therefore has not recorded a personal holding company tax liability. There can be no assurance that Zapata will not be subject to this tax in the future that in turn may materially and adversely impact the Company's financial position, results of operations and cash flows.

- Risks associated with a change of ownership pursuant to Section 382 of the Internal Revenue Code. Such risks could significantly or possibly eliminate Zapata's utilization of its net operating losses and/or alternative minimum tax credits. An ownership change for this purpose is generally a change in the majority ownership of a company over a three year period.

- Risks associated with the ownership by the Malolm I. Glazer Family Limited Partnersip of approximately 51.3% of our outstanding common stock. Our majority stockholder will have the ability to effectively control our management and affairs. In additon, any action requiring a simple-majority stockholder vote can be determined solely by our majority stockholder. This includes the ability to elect all members of our Board of Directors and determine the outcome of certain corporate actions requiring majority stockholder approval, such as merger and acquisition decisions, or sale of all or substantiially all of our assets and the election of directors. This level of ownership may also have a significant effect in delaying, deferring, or preventing a change in control of Zapata and may adversely affect the voting and other rights of other holders of our common stock.

- Risk that our earnings may be reduced in the future due to the potential impairment of our intangible assets. The Company's acquisition of Safety Components common stock resulted in the recognition of intangible assets. As required by applicable accounting rules, we assess the value of intangible assets annually or when events or changes in circumstances require. If we determine through this process that the value of these assets has been impaired, we may be required to record impairment charges in our Statement of Operations. Such charges may be substantial.

- Risk that our subsidiaries' outstanding stock options could significantly dilute our ownership in these subsidiaries. Such dilution would cause the Company to consolidate proportionately less net income (or loss) recognized by our subsidiaries and would increase minority interest. Such dilution could also cause a loss of control (typically when ownership falls below 50%) which could lead to deconsolidation. Such investments would be subsequently accounted for under the equity method of accounting.

- Risk that the carrying value of the Company's prepaid pension asset could be significantly reduced. In the event that the Company decides to terminate its pension plan (the "Plan"), at the time of this decision, the Company would be required to incur a non-cash charge through earnings in an amount equal to the remaining balance of its prepaid pension asset, net of any reversion. If not terminated, the Plan would continue to be subject to the additional minimum liability requirements of SFAS No. 87. Such requirements require the recognition of an additional pension liability in the amount of the unfunded accumulated benefit obligation in excess of accrued pension with an equal amount to be recognized net of the associated tax benefits in accumulated other comprehensive (loss) income. Accordingly, depending on market conditions, the Company may have to reverse its prepaid pension balance and record a pension liability through a non-cash charge to equity. As the Company has not determined if it will terminate the Plan, and due to the uncertainty of market conditions, the Company can provide no assurances as to the ultimate financial statement impact that Plan modifications or changes in market conditions may have.

- Risks related to the costs of defending litigation and the risk of unanticipated material adverse outcomes in such litigation or any other unfavorable outcomes or settlements. There can be no assurance that Zapata will prevail in any pending litigation and to the extent that the Company sustains losses growing out of any pending litigation which are not presently reserved or otherwise provided for or insured against, its business, results of operation and/or financial condition could be adversely affected.

- Risks associated with future acquisitions of operating companies. Any future acquisitions could be material in size and scope, an since the Company has not yet identified any additional assets, property or business that it may acquire or develop, potential investors in the Company will have virtually no substantive information about any such new business upon which to base a decision whether to invest in the Company. In any event depending upon the size and structure of any future acquisitions, stockholders may not have the opportunity to vote on the transaction, or access to any information about any new business until such time as a transaction is completed and the Company files a report with the SEC disclosing the nature of such transaction and/or business. For example, during September and October, 2003, stockholders were informed through press releases and SEC filings that the Company had acquired a significant stake in Safety Components. Such transactions materially affect the Company's financial position, results of operations and cash flows. In the Safety Components acquisition, the Company utilized approximately $47.8 million of its cash, cash equivalents and short-term investments and the acquisition contributed an additional $63.5 million to the Company's consolidated revenues for the fourth quarter of 2003.

There is no assurance that the Company will be successful in identifying any suitable future acquisition opportunities. If the Company does identify any additional potential acquisition opportunities, there is no assurance that the acquisition will be consummated, and if the acquisition does occur, there is no assurance that it will be successful in enhancing the Company's business or will increase the Company's earnings or not materially adversely affect the Company's financial condition. The Company faces significant competition for acquisition opportunities, which may inhibit its ability to complete suitable transactions or increase the cost that must be paid. Future acquisitions could also divert substantial management time, result in short term reductions in earnings or special transactions or other charges and may be difficult to integrate with existing operations or assets. We may, in the future, issue additional shares of common stock or other securities in connection with one or more acquisitions, which may dilute our stockholders. Depending upon the size and number of any future acquisitions, the Company may also borrow money to fund its acquisitions. In that event, the Company's stockholders would be subject to the risks normally associated with leveraged transactions, including the inability to service the debt or the dedication of a significant amount of cash flow to service the debt, limitations on the Company's ability to secure future financing and the imposition of certain operating restrictions.

2. Risks associated with Safety Components that may impact Zapata include the following, any of which could have a material adverse impact on Safety's financial position, results of operations and cash flows:

- The impact of competitive products and pricing, dependence of revenues upon several major module suppliers; worldwide economic conditions; the results of cost savings programs being implemented; domestic and international automotive industry trends, including the marketplace for airbag related products; the ability of Safety Components to effectively control costs and to satisfy customers on timeliness and quality;

approval by automobile manufacturers of airbag cushions currently in production; pricing pressures and labor strikes.

- Our nominees on the Safety Components' Board of Directors do not comprise a majority of the board members. Therefore, we do not have the ability to directly influence the management of Safety Components and cannot be assured that the actions taken by the Safety Components Board of Directors will necessarily be consistent with Zapata's best interest.

3. Risks associated with Omega Protein that may impact Zapata include the following, any of which could have a material adverse impact on Omega's financial position, results of operations and cash flows:

- Omega's ability to meet its raw material requirements through its annual menhaden harvest, which is subject to fluctuation due to natural conditions over which Omega has no control, such as varying fish population, adverse weather conditions and disease.

- The impact on Omega if its spotter aircraft are prohibited or restricted from operating in their normal manner during Omega' fishing season. For example, as a direct result of the September 11, 2001 terrorist attacks, the Secretary of Transportation issued a federal ground stop order that grounded certain aircraft (including the Company's fish-spotting aircraft) for approximately nine days. This loss of spotter aircraft coverage severely hampered Omega's ability to locate menhaden fish during this nine-day period and thereby reduced its amount of saleable product.

- The impact on the prices for Omega's products of worldwide supply and demand relationships over which Omega has no control and which tend to fluctuate to a significant extent over the course of a year and from year to year. The products that influence the supply and demand relationship are world supplies of fish meal made from other fish species, animal proteins and fats, palm oil, soy meal and oil, and other edible oils.

- The impact of a violation by Omega of federal, state, intra-state and local laws and regulations relating to menhaden fishing or of the adoption of new laws or regulations at federal, state, intra-state or local levels that restrict or prohibit menhaden or purse-seine fishing, or stricter interpretations of existing laws or regulations that materially adversely affect Omega's business.

- The impact of the enactment of increasingly stringent regulations regarding contaminants in fish meal or fish oil by foreign countries or the United States. More stringent regulations may result in: (a) Omega's incurrence of additional capital expenditures on contaminant reduction technology in order to meet the requirements of those jurisdictions, and possibly higher production costs for Omega's products, or (b) Omega's withdrawal from marketing its products in those jurisdictions.

- The impact on Omega if it cannot harvest menhaden in U.S. jurisdictional waters if Omega fails to comply with U.S. citizenship ownership requirements.

- Risks inherent in Omega's attempt to expand into sales of refined, food grade fish oils for consumption in the U.S., including the unproven market for this product.

- Fluctuations in Omega's quarterly operating results due to the seasonality of Omega's business and Omega's deferral of sales of inventory based on worldwide prices for competing products.

- The ability of Omega to retain and recruit key officers and qualified personnel, vessel captains and crewmembers.

- Risks associated with the strength of local currencies of the countries in which its products are sold, changes in social, political and economic conditions inherent in foreign operations and international trade, including changes in the law and policies that govern foreign investment and international trade in such countries, changes in U.S. laws and regulations relating to foreign investment and trade, changes in tax or other laws, partial or total expatriation, currency exchange rate fluctuations and restrictions on currency repatriation, the disruption of labor, political disturbances, insurrection or war and the effect of requirements of partial local ownership of operations in certain countries.

- In the future Omega may undertake acquisitions, although there is no assurance this will occur. Further, there can be no assurance that Omega will be able to profitably manage future businesses it may acquire or successfully integrate future businesses it may acquire into Omega without substantial costs, delays or other problems which could have a material adverse effect on Omega's business, results of operations and financial condition.

- A general hardening of the world insurance markets in recent years has made Omega's insurance more costly. Omega has elected to increase its deductibles and self-retentions in order to achieve lower insurance premium costs. These higher deductibles and self-retentions will expose Omega to greater risk of loss if claims occur.

4. Risks associated with the foreign operations of our controlled subsidiaries that may impact Zapata include the following, (any of which could have a material adverse impact on any such subsidiary's financial position, results of operations and cash flows): the strength of local currencies of the countries in which its products are sold, changes in social, political and economic conditions inherent in foreign operations and international trade, including changes in the law and policies that govern foreign investment and international trade in such countries, changes in U.S laws and regulations relating to foreign investment and trade, changes in tax or other laws, partial or total expatriation, currency exchange rate fluctuations and restrictions on currency repatriation, the disruption of labor, political disturbances, insurrection or war and the effect of requirements of partial local ownership of operations in certain countries.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

EQUITY PRICE RISK. As the Company considers its holdings of Safety Components, Omega Protein and Zap.Com common stock to be a potential source of secondary liquidity, the Company is subject to equity price risk to the extent of fluctuations in the market prices and trading volumes of these securities. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

INTEREST RATE RISK. Zapata Corporate and Zap.Com hold investment grade securities including a mix of U.S. Government or Government agency obligations, certificates of deposit, money market deposits and commercial paper rated A-1 or P-1. In addition, Omega Protein holds certificates of deposit and commercial quality grade investments rated A-2 P-2 or better with companies and financial institutions. As the majority of the Company's consolidated investment grade securities constitute short-term U.S. Government agency securities, the Company does not believe that the value of these instruments have a material exposure to interest rate risk. However, changes in interest rates do affect the investment income the Company earns on its cash equivalents and marketable securities and, therefore, impacts its cash flows and results of operations. Accordingly, there is inherent roll-over risk for the Company's investment grade securities as they mature and are renewed at current market rates. Using the Company's consolidated investment grade security balance of $72.2 million at September 30, 2004 as a hypothetical constant cash balance, an adverse change of 1% in interest rates would decrease interest income by approximately $180,000 and $541,000 during a three-month and nine-month period, respectively.

MARKET RISK. To the extent that amounts borrowed under Safety's Congress Facilities and certain other facilities are outstanding, Safety has market risk relating to such amounts because the interest rates under the Congress Facilities are variable. As of September 30, 2004, Safety's interest rates under the Congress Facilities and those certain other facilities approximated 4.0%. A hypothetical increase or decrease in interest rates of 100 basis points relating to the Congress Facilities would not result in a material change to the Company's results of operations. In addition, Omega Protein is exposed to minimal market risk associated with interest rate movements on its borrowings. A one percent increase or decrease in the levels of interest rates on Omega's variable rate debt would not result in a material change to the Company's results of operations.

CURRENCY EXCHANGE RATES AND FORWARD CONTRACTS. Safety's operations in Mexico, Germany, the United Kingdom and the Czech Republic expose Safety Components to currency exchange rate risks. Safety Components monitors its risk associated with the volatility of certain foreign currencies against its functional currency, the U.S. dollar. Safety uses certain derivative financial instruments to reduce exposure to volatility of foreign currencies. However, the changes in the relationship of other currencies to the U.S. dollar could have a material adverse effect on the consolidated financial statements if there were a sustained decline of these currencies versus the U.S. dollar. Safety has formally documented all relationships between hedging instruments and hedged items, as well as risk management objectives and strategies for undertaking various hedge transactions. Derivative financial instruments are not entered into for trading or speculative purposes.

Certain costs at Safety's Mexican facilities are paid in Mexican pesos. To reduce exposure to fluctuations in the U.S. dollar and Mexican peso exchange rates, Safety entered into forward contracts on May 11, 2004 to buy Mexican pesos for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At September 30, 2004, Safety had outstanding forward exchange contracts that mature between October 2004 and December 2004 to purchase Mexican pesos with an aggregate notional amount of approximately $801,000. The fair values of these contracts at September 30, 2004 totaled approximately $23,000 which is recorded as an asset on Safety's balance sheet in other current assets. Changes in the derivatives' fair values are deferred and recorded in the balance sheet as a component of accumulated other comprehensive income ("AOCI"), until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of operations as cost of goods sold. Safety reclassified approximately $22,000 of previously recorded derivative fair values in AOCI into earnings for the nine months ended September 30, 2004 as a credit to cost of goods sold.

Although Omega Protein sells products in foreign countries, substantially all of Omega's revenues are billed and paid for in US dollars. As a result, Omega's management does not believe that Omega is exposed to any significant foreign country currency exchange risk, and Omega does not utilize market risk sensitive instruments to manage its exposure to this risk.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed under the supervision of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(e) and 15-d-15(e)) as of the end of the period covered by this report. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

Notwithstanding the foregoing, there can be no assurance that the Company's disclosure controls and procedures will detect or uncover all failures of persons within the Company and its consolidated subsidiaries to disclose material information otherwise required to be set forth in the Company's periodic reports. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable, not absolute, assurance of achieving their control objectives.

No changes in internal control over financial reporting occurred during the quarter ended September 30, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

LITIGATION

Zapata is involved in litigation relating to claims arising out of its past and current operations in the normal course of business. Zapata maintains insurance coverage against such potential ordinary course claims in an amount in which it believes to be adequate. While the results of any ultimate resolution cannot be predicted, in the opinion of

Zapata's management, based upon discussions with counsel, any losses resulting from these matters will not have a material adverse effect on Zapata's results of operations, cash flow or financial position.

ENVIRONMENTAL MATTERS

Zapata and its subsidiaries are subject to various possible claims and lawsuits regarding environmental matters. Zapata's management believes that costs, if any, related to these matters will not have a material adverse effect on the consolidated results of operations, cash flows or financial position of the Company.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

Period	(a) Total Number of Shares (or Units) Purchased	(b) Average Price Paid per Share (or Unit)	(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs	(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs
08/01/04 - 08/31/04	114,700 (1)	$61.50	0	500,000 (2) shares
Total	114,700	$61.50	0	500,000 shares

(1) On September 2, 2004, the Malcolm I. Glazer Family Limited Partnership (the "Glazer LP") filed a Schedule 13D indicating that it had acquired 114,700 shares of the company's common stock of Zapata Corporation in an open market broker-assisted transaction. As a result of the transaction, the Glazer LP now owns approximately 51.3% of the Company's outstanding common stock.

(2) On December 6 2002, the company announced that its Board of Directors authorized the company to purchase up to 500,000 shares of its outstanding common stock in the open market or privately negotiated transactions. No time limit has been placed on the duration of the program and no minimum number or value of shares to be repurchased has been fixed. As of the date of this report, no shares have been repurchased under this program.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The Company's Annual Meeting of Stockholders' was held on November 1, 2004. In connection with the Annual Meeting of Stockholders, the following are the results of the vote taken on the various matters presented to the Company's stockholders.

(1) All of the Board's nominees for directors were elected as follows:

	For	Withhold	No Vote
Class III Directors: Term ending 2007			
Edward S. Glazer	1,879,154	346,888	165,273
Robert V. Leffler, Jr.	2,041,120	184,922	165,273

(2) The proposal to ratify the appointment of PricewaterhouseCoopers LLP as independent auditors was passed with the following vote:

For	Against	Abstain	No Vote
2,178,509	46,868	665	165,273

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

31.1 Certification of CEO as required by Rule 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of CFO as required by Rule 13a-14(a), as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of CEO Pursuant to 18 U.S.C Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

32.2 Certification of CFO Pursuant to 18 U.S.C Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

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)

Dated: November 12, 2004

By:/s/ Leonard DiSalvo

(Vice President-- Finance and Chief Financial Officer)

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Avram A. Glazer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zapata Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2004

/s/ Avram A. Glazer

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Avram A. Glazer
President and CEO

EXHIBIT 31.2

CERTIFICATION PURSUANT TO RULE 13A-14 OR 15D-14 OF THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Leonard DiSalvo, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Zapata Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 12, 2004

/s/ Leonard DiSalvo
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Leonard DiSalvo
Vice President -- Finance and CFO

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EXHIBIT 32.1

CERTIFICATION OF CEO PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Zapata Corporation (the "Company") on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Avram A. Glazer, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Avram A. Glazer
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Avram A. Glazer
Chairman of the Board, President and Chief Executive Officer
November 12, 2004

This Certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

EXHIBIT 32.2

CERTIFICATION OF CFO PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Zapata Corporation (the "Company") on Form 10-Q for the period ending September 30, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Leonard DiSalvo, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Leonard DiSalvo
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Leonard DiSalvo
Vice President - Finance and Chief Financial Officer
November 12, 2004

This Certification accompanies this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.