SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

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

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): APRIL 8, 1998

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

DELAWARE	1-4219	C-74-1339132
(State or other jurisdiction of incorporation)	(Commission File No.)	(I.R.S. Employer Identification No.)

1717 ST. JAMES PLACE
SUITE 550
HOUSTON, TEXAS 77056
(Address of principal executive offices)

(713) 940-6100
(Registrant's telephone number, including area code)

NOT APPLICABLE
(Former name or former address, if changed since last report)

ITEM 2. ACQUISITION AND DISPOSITION OF ASSETS

On April 2, 1998, Omega Protein Corporation ("Omega Protein") completed an initial public offering of 8.5 million shares of its common stock for $16 per share (the "Offering") less underwriting discounts and selling commissions. Prior to the Offering, Omega Protein was a wholly-owned subsidiary of Zapata Corporation ("Zapata" or the "Company"). Of the 8.5 million shares of Omega Protein common stock sold in the Offering, Zapata sold 4.5 million shares and Omega Protein sold 4 million shares. Immediately following the Offering, Zapata owns 64.1% of the outstanding common stock of Omega Protein (59.7% if the underwriters' over-allotment options are exercised in full). (See Item 5 "Other Events" for a description of the underwriters' over-allotment options contained in the Underwriting Agreement). Following the Offering, the Company will continue to report Omega Protein's results on a consolidated basis using a minority interest adjustment.

ITEM 5. OTHER EVENTS

On April 2, 1998, Zapata and Omega Protein executed an Underwriting Agreement (the "Underwriting Agreement") with Prudential Securities Incorporated ("Prudential") and Deutsche Morgan Grenfell Inc., as representatives for the underwriters named therein, pursuant to which Zapata and Omega Protein sold, through an underwritten public offering, the shares described in Item 2. "Acquisitions and Disposition of Assets" above. The Common Stock was sold at a net price of $14.92 per share under Omega Protein's registration statement on Form S-1 (File No. 333-44967), which became effective on April 2, 1998, and Omega Protein's abbreviated registration statement on Form S-1 (File No. 333-49321) filed pursuant to Rule 462(b), which became effective on April 3, 1998.

Under the Underwriting Agreement, Zapata and Omega Protein granted the Underwriters over-allotment options, exercisable through May 8, 1998, to purchase, in the aggregate, up to 1,275,000 additional shares of common stock, on a pro rata basis according to the number of shares sold by them at the first closing, at the net price of $14.92 per share. The Underwriters may exercise these options solely for the purpose of covering over-allotments incurred in the sale of shares in the Offering. If the Underwriters exercise their options in full, Zapata' ownership interest in Omega Protein will be further reduced to as low as 59.7% of Omega Protein's outstanding common stock. As of the date of this Report, the Underwriters have not exercised these options.

The Underwriting Agreement requires Zapata and Omega Protein to indemnify the Underwriters and contribute to losses arising out of certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). The Underwriting Agreement prohibits Zapata, directly or indirectly, from offering or selling any shares of Omega Protein's Common Stock or entering into similar or related transactions until April 8, 1999, without the prior written consent of Prudential, on behalf of the Underwriters. The Underwriting Agreement further provides that Zapata may not take any action during this period that would cause its net book value to decrease below the net proceeds received from by Zapata from the sale of its Omega Protein stock.

On April 8, 1998, Zapata entered into several agreements with Omega Protein to define their post-Offering relationship. The following is a summary of each of these agreements:

Separation Agreement. Zapata and Omega Protein have entered into a Separation Agreement, which, among other things, required Omega Protein to repay to Zapata $33.3 million of intercompany indebtedness owed by Omega Protein to Zapata contemporaneously with the consummation of the Offering. The Separation Agreement also prohibits Zapata from engaging in the harvesting of menhaden or the production or marketing of fish meal, fish oil or fish solubles anywhere in the United States for a period of five years from the date of the Separation Agreement. Under the Separation Agreement, Zapata and Omega Protein and its subsidiaries have agreed to indemnify each other with respect to any future losses that might arise from the Offering as a result of any untrue statement or alleged untrue statement in any Offering document or the omission or alleged omission to state a material fact in any Offering document (i) in Omega Protein's case except to the extent such statement was based on information provided by Zapata and (ii) in Zapata's case, only to the extent such loss relates to information supplied by Zapata.

Sublease Agreement. Zapata and Omega Protein have entered into a Sublease Agreement which provides for Omega Protein to lease its principal corporate offices in Houston, Texas, comprising approximately 3,354 square feet, at an annual rent of approximately $36,204 and for a term that coincides with the remaining term of the primary lease under which Zapata occupies the space which expires in 2000. The Sublease also provides for Omega Protein to utilize certain shared office equipment for no additional charge.

Registration Rights Agreement. Zapata and Omega Protein have entered into a Registration Rights Agreement. Under the Registration Rights Agreement, Omega Protein has granted Zapata certain rights (the "Registration Rights") with respect to the registration under the Securities Act of Omega Protein's common stock owned by Zapata immediately following the Offering (the "Registrable Securities"). Pursuant to the Registration Rights Agreement, Zapata may require Omega Protein, not more than once in any 365 day period commencing on the first anniversary of the closing of the Offering and on not more than three occasions after Zapata no longer owns a majority of the voting power of the outstanding capital stock of Omega Protein, to file a registration statement under the Securities Act covering the registration of the Registrable Securities, including in connection with an offering by Zapata of its securities that are exchangeable for the Registrable Securities (the "Demand Registration Rights"). Zapata's Demand Registration Rights are subject to certain limitations, including that any such registration cover a number of Registrable Securities having a fair market value of at least $50.0 million at the time of the request for registration and that Omega Protein may be able to temporarily defer a Demand Registration to the extent it conflicts with another public offering of securities by Omega Protein or would require Omega Protein to disclose certain material non-public information. Zapata will also be able to require Omega Protein to include Registrable Securities owned by Zapata in a registration by Omega Protein of its securities (the "Piggyback Registration Rights"), subject to certain

conditions, including the ability of the underwriters for the Offering to limit or exclude Registrable Securities therefrom.

Omega Protein and Zapata will share equally the out-of-pocket fees and expenses of Omega Protein associated with a demand registration and Zapata will pay its pro rata share of underwriting discounts, commissions and related expenses (the "Selling Expenses"). Omega Protein will pay all expenses associated with a piggyback registration, except that Zapata will pay its pro rata share of the Selling Expenses. The Registration Rights Agreement contains certain indemnification and contribution provisions (i) by Zapata for the benefit of the Omega Protein and related persons, as well as any potential underwriter and (ii) by Omega Protein for the benefit of Zapata and related persons, as well as any potential underwriter. Zapata's Demand Registration Rights will terminate on the date that Zapata owns, on a fully converted or exercised basis with respect to such securities held by Zapata, Registrable Securities representing less than 10% of the then issued and outstanding voting stock of Omega Protein. Zapata's Piggyback Registration Rights will terminate at such time as it is able to sell all of its Registrable Securities pursuant to Rule 144 under the Securities Act within a three month period. Zapata also may transfer its Registration Rights to any transferee from it of Registrable Securities that represent, on a fully converted or exercised basis with respect to the Registrable Securities transferred, at least 20% of the then issued and outstanding voting stock of Omega Protein at the time of transfer; provided, however, that any such transferee will be limited to (i) two demand registrations if the transfer conveys less than a majority but more than 30% and (ii) one demand registration if the transfer conveys 30% or less of the then issued and outstanding voting stock of Omega Protein.

Tax Indemnity Agreement. Prior to the Offering, Omega Protein was a member of Zapata's affiliated group and filed its tax returns on a consolidated basis with such group. As a result of the Offering, Omega Protein is no longer a member of the Zapata affiliated group. Zapata and Omega Protein have entered into a Tax Indemnity Agreement pursuant to which Zapata shall be responsible for paying all federal income taxes relating to taxable periods ending before and including the date on which Omega Protein is no longer a member of Zapata's affiliated group. Omega Protein shall be responsible for all taxes of Omega Protein with respect to taxable periods beginning after the date on which Omega Protein is no longer a member of Zapata's affiliated group. Omega Protein shall be entitled to any refunds (or reductions in tax liability) attributable to any carryback of Omega Protein's post-Offering tax attributes (i.e., net operating losses) realized by Omega Protein after it is no longer a member of Zapata's affiliated group. Any other refunds arising from the reduction in tax liability involving the Zapata affiliated group while Omega Protein was a member of such group, including but not limited to, taxable periods ending before or including such date, (with the exception of any refunds arising from a reduction in tax liability attributable to Omega Protein) shall belong to Zapata.

Administrative Services Agreements. Zapata and Omega Protein entered into an Administrative Services Agreement pursuant to which Omega Protein will provide Zapata with administrative services upon reasonable request of Zapata. Zapata will pay

Omega Protein for these services at Omega Protein's estimated cost of providing these services. This Agreement will continue until Zapata terminates it on 5 days advance written notice or Omega Protein terminates it after Zapata fails to cure a breach of the Agreement for 30 days after Omega Protein has given Zapata written notice of the breach.

Each of the Underwriting Agreement, Separation Agreement, Administrative Services Agreement, Sublease Agreement and Registration Rights Agreement have been filed as exhibits to this report and are hereby incorporated herein. Reference is made to such Agreement for a more full and complete description of the terms and conditions therein.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(b) UNAUDITED PRO FORMA FINANCIAL INFORMATION

Filed herewith is unaudited pro forma condensed consolidated financial information for Zapata reflecting the financial position of the Company as of December 31, 1997 giving effect to the Offering as if it had occurred as of such date and the results of its operations for the three months ended December 31, 1997 and the fiscal year ended September 30, 1997, giving effect to the Offering as if it had occurred as of October 1, 1996. The Pro Forma Financial Statements should be read in conjunction with the historical consolidated financial statements and related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in Zapata's Annual Report on Form 10-K for the year ended September 30, 1997 and in Zapata's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 1997.

The Pro Forma Financial Statements may not be indicative of what the actual results of operations would have been had the Offering occurred on the dates indicated or that may be obtained in the future.

(c) EXHIBITS

The following exhibits are filed herewith:

1	-	Underwriting Agreement dated April 12, 1998 among Zapata, Omega Protein and Prudential Securities Incorporated and Deutsche Morgan Grenfell, Inc., as representatives of the Underwriters named therein.
10.1	-	Separation Agreement dated April 8, 1998 between Zapata and Omega Protein.
10.2	-	Administrative Services Agreement dated April 8, 1998 between Zapata and Omega Protein.

10.3 - Tax Indemnity Agreement dated April 8, 1998 between Zapata and Omega Protein.

10.4 - Registration Rights Agreement dated April 8, 1998 between Zapata and Omega Protein.

10.5 - Sublease Agreement dated April 8, 1998 between Zapata and Omega Protein.

ZAPATA CORPORATION
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
DECEMBER 31, 1997
(in thousands)

	Historical Zapata Corporation	Pro Forma Adjustments	Pro Forma Total
Current assets:			
Cash and cash equivalents	$ 28,047	$ 66,610(1) 59,150(2)	$ 153,807
Restricted cash	4,337	--	4,337
Other current assets	48,703	--	48,703
Total current assets	81,087	125,760	206,847
Investments and other assets	38,029	(2,190)(2)	35,839
Property and equipment, net	68,346	--	68,346
Total assets	$ 187,462	$ 123,570	$ 311,032
Current liabilities	$ 19,124	$ 18,037(1)	$ 37,161
Long-term debt	11,290	--	11,290
Other liabilities	10,660	(2,190)(2) 10,093(2)	18,563
Minority interest	--	15,933(1) 30,314(2)	46,247
Stockholders' equity:			
Common stock	7,396		7,396
Capital in excess of par value	139,398		139,398
Reinvested earnings	29,765	32,640(1) 18,743(2)	81,148
Treasury stock, at cost	(30,171)		(30,171)
	146,388	51,383	197,771
Total liabilities and stockholders' equity	$ 187,462	$ 123,570	$ 311,032

(The accompanying notes are an intergral part of the Pro Forma Financial Statements.)

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET

The following notes set forth the assumptions used in preparing the unaudited pro forma condensed consolidated balance sheet as of December 31, 1997.

(1) To record Zapata's sale of 4.5 million shares of Omega Protein common stock in connection with the Offering. Proceeds to Zapata from the Offering were $66.6 million after commissions and selling expenses of $5.4 million. As a result of Zapata's sale of Omega Protein's common stock, Zapata recorded a gain of $32.6 million, net of tax effects of $18.0 million, and minority interest of $15.9 million. If the underwriters' over-allotment options are exercised, Zapata will sell up to an additional 675,000 shares of its Omega Protein common stock, which, if the maximum number of shares are sold by Zapata will result in additional net proceeds to Zapata of $10.1 million. In such event, Zapata will record an additional $5.0 million increase to its gain, net of tax effects of $2.7 million, and additional minority interest of $2.4 million.

(2) To record the issuance and sale by Omega Protein of 4 million shares of Omega Protein common stock in connection with the Offering. Proceeds to Omega Protein from the Offering were $59.2 million after commissions and selling expenses of $4.9 million. As a result of Omega Protein's sale of its common stock, Zapata recorded a gain of $18.7 million, net of tax effects of $10.1 million, and minority interest of $30.3 million. If the underwriters' over-allotment options are exercised, Omega Protein will sell up to an additional 600,000 shares of common stock, which, if the maximum number of shares are sold by Omega Protein will result in additional net proceeds of $9.0 million; in such event, Zapata will record an additional $1.4 million gain, net of tax effects of $.7 million, and additional minority interest of $6.8 million. The Company also reclassified the $2.2 million deferred tax asset balance at December 31 ,1997 from investments and other assets to other liabilities to offset against the pro forma tax liability.

Immediately following the Offering, Zapata will own 64.1% of the outstanding common stock of Omega Protein as of December 31, 1997. Assuming both underwriters' over-allotment options are exercised in full, Zapata would own 59.7% of Omega Protein's outstanding common stock.

ZAPATA CORPORATION
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
THREE MONTHS ENDED DECEMBER 31, 1997
(in thousands, except per share amounts)

	Historical Zapata Corporation	Pro Forma Adjustments	Pro Forma Total
Revenues	$ 29,503	$ -	$ 29,503
Expenses:			
Operating	17,603	-	17,603
Depreciation, depletion and amortization	1,678	-	1,678
Selling, general and administrative	2,040	-	2,040
	21,321	-	21,321
Operating income	8,182	-	8,182
Other income (expense):			
Interest income, net	260	-	260
Equity in loss of unconsolidated affiliates	(1,097)	-	(1,097)
Other	(20)	-	(20)
	(857)	-	(857)
Income from continuing operations before taxes	7,325	-	7,325
Provision for income taxes	2,737	-	2,737
Income from continuing operations before minority interest	4,588	-	4,588
Minority interest	-	$ (1,907)	(1,907)
Income from continuing operations	$ 4,588	$ (1,907)	$ 2,681
Per share data (basic):			
Income from continuing operations	$ 0.20	$ (0.08)	$ 0.12
Average common shares outstanding	22,910	22,910	22,910
Per share data (diluted):			
Income from continuing operations	$ 0.19	$ (0.08)	$ 0.11
Average common shares and common share equivalents outstanding	23,731	23,731	23,731

(The accompanying notes are an integral part of the Pro Forma Financial Statements.)

NOTE TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

The following note sets forth the assumption used in preparing the unaudited pro forma condensed consolidated income statement for the three months ended December 31, 1997.

(1) To record minority interest of 35.9% in Omega Protein's results for the three months ended December 31, 1997. If the underwriters' over-allotment options are exercised and the maximum number of shares are sold, minority interest would increase to 40.3% or $2.1 million.

ZAPATA CORPORATION
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT
TWELVE MONTHS ENDED SEPTEMBER 30, 1997
(in thousands, except per share amounts)

	Historical Zapata Corporation	Pro Forma Adjustments	Pro Forma Total
Revenues	$ 117,564	$ -	$ 117,564
Expenses:			
Operating	90,054	-	90,054
Depreciation and amortization	3,744	-	3,744
Selling, general and administrative	10,924	-	10,924
	104,722	-	104,722
Operating income	12,842	-	12,842
Other income (expense):			
Gain on sale of Omega Protein common stock	-	$ 85,163(1)	85,163
Interest income, net	2,031	0	2,031
Equity in loss of unconsolidated affiliates	(2,845)	0	(2,845)
Other	(176)	0	(176)
	(990)	85,163	84,173
Income from continuing operations before taxes	11,852	85,163	97,015
Provision for income taxes	4,440	30,107(1)	34,547
Income from continuing operations before minority interest	7,412	55,056	62,468
Minority interest	-	(3,743)(2)	(3,743)
Income from continuing operations	$ 7,412	$ 51,313	$ 58,725
Per share data (basic):			
Income from continuing operations	$ 0.27	$ 1.88	$ 2.15
Average common shares outstanding	27,287	27,287	27,287
Per share data (diluted):			
Income from continuing operations	$ 0.27	$ 1.88	$ 2.15
Average common and common equivalent shares outstanding	27,303	27,303	27,303

(The accompanying notes are an integral part of the Pro Forma Financial Statements.)

NOTES TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED INCOME STATEMENT

The following notes set forth the assumptions used in preparing the unaudited pro forma condensed consolidated income statement for the twelve months ended September 30, 1997.

(1) To record an $85.2 million gain and related tax effects of $30.1 million, as a result of the Offering. As a result of Zapata's sale of 4.5 million shares of Omega Protein's common stock, Zapata recorded a gain of $54.3 million and related tax effects of $19.3 million. Additionally, as a result of Omega Protein's issuance and sale of 4 million shares of its common stock, Zapata recorded a gain of $30.9 million and related tax effects of $10.8 million. If the underwriters' over-allotment options are exercised and the maximum number of shares are sold, the gain will increase by $10.5 million and the related tax effects will increase by $3.7 million; the gain related to Zapata's sale will increase by $8.2 million and the related tax effects will increase by $2.9 million, and the gain associated with Omega Protein's sale will increase by $2.3 million and the related tax effects will increase by $.8 million.

(2) To record minority interest of 35.9% in Omega Protein's results for the twelve months ended September 30, 1997. If the underwriter's over-allotment options are exercised in full, minority interest would increase to 40.3% or $4.2 million.

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 hereunto duly authorized.

ZAPATA CORPORATION

By: /s/ Avram A. Glazer

Avram A. Glazer
President and Chief Executive Officer

Date: April 17, 1998

EXHIBIT INDEX

EXHIBIT NUMBER		DESCRIPTION
1	-	Underwriting Agreement dated April 12, 1998 among Zapata, Omega Protein and Prudential Securities Incorporated and Deutsche Morgan, Grenfell, Inc., as representatives of the Underwriters named therein.
10.1	-	Separation Agreement dated April 8, 1998 between Zapata dn Omega Protein.
10.2	-	Administrative Services Agreement dated April 8, 1998 between Zapata and Omega Protein.
10.3	-	Tax Indemnity Agreement dated April 8, 1998 between Zapata and Omega Protein.
10.4	-	Registration Rights Agreement dated April 8, 1998 between Zapata and Omega Protein.
10.5	-	Sublease Agreement dated April 8, 1998 between Zapata and Omega Protein.

EXHIBIT 1

OMEGA PROTEIN CORPORATION
6,000,000 Shares*
Common Stock
UNDERWRITING AGREEMENT

_____ __, 1998

PRUDENTIAL SECURITIES INCORPORATED
DEUTSCHE MORGAN GRENFELL INC.
As Representatives of the several Underwriters
c/o Prudential Securities Incorporated
One New York Plaza
New York, New York 10292

Dear Sirs:

Omega Protein Corporation, a Nevada corporation (the "Company"), and Zapata Corporation, a Delaware corporation (the "Selling Securityholder"), hereby confirm their agreement with the several underwriters named in Schedule 1 hereto (the "Underwriters"), for whom you have been duly authorized to act as representatives (in such capacities, the "Representatives"), as set forth below. The Company is a wholly-owned subsidiary of the Selling Securityholder. If you are the only Underwriters, all references herein to the Representatives shall be deemed to be to the Underwriters.

1. Securities. Subject to the terms and conditions herein contained, the Company proposes to issue and sell to the several Underwriters an aggregate of 4,000,000 shares (the "Company Firm Securities") of the Company's Common Stock, par value $.01

- ---

* Plus options to purchase from the Company and the Selling Securityholder up to an aggregate of 900,000 additional shares to cover over-allotments.

per share ("Common Stock"), and the Selling Securityholder proposes to sell to the several Underwriters 2,000,000 authorized and outstanding shares of Common Stock (the "Selling Securityholder Firm Securities" and together with the Company Firm Securities, the "Firm Securities"). The Company also proposes to issue and sell, and the Selling Securityholder proposes to sell, to the several Underwriters not more than 900,000 additional shares of Common Stock in the aggregate if requested by the Representatives as provided in Section 3 of this Agreement. Any and all shares of Common Stock to be purchased by the Underwriters pursuant to such options are referred to herein as the "Option Securities," and the Firm Securities and any Option Securities are collectively referred to herein as the "Securities".

2. Representations and Warranties of the Company and the Selling Securityholder. (a) The Company and the Selling Securityholder, jointly and severally, represent and warrant to, and agree with, each of the several Underwriters that:

(i) A registration statement on Form S-1 (File No. 333-44967) with respect to the Securities, including a prospectus subject to completion, has been filed by the Company with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Act"), and one or more amendments to such registration statement may have been so filed. After the execution of this Agreement, the Company will file with the Commission either (A) if such registration statement, as it may have been amended, has been declared by the Commission to be effective under the Act, either (1) if the Company relies on Rule 434 under the Act, a Term Sheet (as hereinafter defined) relating to the Securities, that shall identify the Preliminary Prospectus (as hereinafter defined) that it supplements containing such information as is required or permitted by Rules 434, 430A and 424(b) under the Act or (2) if the Company does not rely on Rule 434 under the Act, a prospectus in the form most recently included in an amendment to such registration statement (or, if no such amendment shall have been filed, in such registration statement), with such changes or insertions as are required by Rule 430A under the Act or permitted by Rule 424(b) under the Act, and in the case of either clause (A)(1) or (A)(2) of this sentence as have been provided to and approved by the Representatives prior to the execution of this Agreement, or (B) if such registration statement, as it may have been amended, has not been declared by the Commission to be effective under the Act, an amendment to such registration statement, including a form of prospectus, a copy of which amendment has been furnished to and approved by the Representatives prior to the execution of this Agreement. The Company may also file a related registration statement with the Commission pursuant to Rule 462(b) under the Act for the purpose of registering certain additional Common Stock, which registration shall be effective upon filing with the Commission. As used in this Agreement, the term "Original Registration Statement" means the registration statement initially filed relating to the Securities, as amended at the time when it was or is declared effective, including

all financial schedules and exhibits thereto and including any information omitted therefrom pursuant to Rule 430A under the Act and included in the Prospectus (as hereinafter defined); the term "Rule 462(b) Registration Statement" means any registration statement filed with the Commission pursuant to Rule 462(b) under the Act (including the Registration Statement and any Preliminary Prospectus or Prospectus incorporated therein at the time such Registration Statement becomes effective); the term "Registration Statement" includes both the Original Registration Statement and any Rule 462(b) Registration Statement; the term "Preliminary Prospectus" means each prospectus subject to completion filed with such registration statement or any amendment thereto (including the prospectus subject to completion, if any, included in the Registration Statement or any amendment thereto at the time it was or is declared effective); the term "Prospectus" means:

(A) if the Company relies on Rule 434 under the Act, the Term Sheet relating to the Securities that is first filed pursuant to Rule 424(b)(7) under the Act, together with the Preliminary Prospectus identified therein that such Term Sheet supplements;

(B) if the Company does not rely on Rule 434 under the Act, the prospectus first filed with the Commission pursuant to Rule 424(b) under the Act; or

(C) if the Company does not rely on Rule 434 under the Act and if no prospectus is required to be filed pursuant to Rule 424(b) under the Act, the prospectus included in the Registration Statement;

and the term "Term Sheet" means any term sheet that satisfies the requirements of Rule 434 under the Act. Any reference herein to the "date" of a Prospectus that includes a Term Sheet shall mean the date of such Term Sheet.

(ii) The Commission has not issued any order preventing or suspending use of any Preliminary Prospectus. When any Preliminary Prospectus was filed with the Commission it (A) contained all statements required to be stated therein in accordance with, and complied in all material respects with the requirements of, the Act and the rules and regulations of the Commission thereunder and (B) did not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. When the Registration Statement or any amendment thereto was or is declared effective, it (A) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of, the Act and the rules and regulations of the Commission thereunder and (B) did not or will not include any untrue statement of a material fact or omit to state any

material fact necessary to make the statements therein not misleading. When the Prospectus or any Term Sheet that is a part thereof or any amendment or supplement to the Prospectus is filed with the Commission pursuant to Rule 424(b) (or, if the Prospectus or part thereof or such amendment or supplement is not required to be so filed, when the Registration Statement or the amendment thereto containing such amendment or supplement to the Prospectus was or is declared effective) and on the Firm Closing Date and any Option Closing Date (both as hereinafter defined), the Prospectus, as amended or supplemented at any such time, (A) contained or will contain all statements required to be stated therein in accordance with, and complied or will comply in all material respects with the requirements of, the Act and the rules and regulations of the Commission thereunder and (B) did not or will not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading. The foregoing provisions of this paragraph (ii) do not apply to statements or omissions made in any Preliminary Prospectus, the Registration Statement or any amendment thereto or the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein.

(iii) If the Company has elected to rely on Rule 462(b) and the Rule 462(b) Registration Statement has not been declared effective (A) the Company has filed a Rule 462(b) Registration Statement in compliance with and that is effective upon filing pursuant to Rule 462(b) and has received confirmation of its receipt and (B) the Company has given irrevocable instructions for transmission of the applicable filing fee in connection with the filing of the Rule 462(b) Registration Statement, in compliance with Rule 111 promulgated under the Act or the Commission has received payment of such filing fee.

(iv) The Company and each of its subsidiaries have been duly organized and are validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation and are duly qualified to transact business as foreign corporations and are in good standing under the laws of all other jurisdictions where the ownership or leasing of their respective properties or the conduct of their respective businesses requires such qualification, except where the failure to be so qualified would not individually or in the aggregate have a material adverse change, in the condition (financial or otherwise), management, business prospects, net worth, or results of the operations of the Company or any of its subsidiaries ("Material Adverse Effect"). As used herein, "subsidiary" means any entity in which the Corporation owns in excess of 50% of such entity's equity.

(v) The Company and each of its subsidiaries have full power (corporate and other) to own or lease their respective properties and conduct their respective businesses as described in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus; and the Company has full power (corporate and other) to enter into this Agreement and to carry out all the terms and provisions hereof to be carried out by it.

(vi) The issued shares of capital stock of each of the Company's subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and are owned beneficially by the Company free and clear of any security interests, liens, encumbrances, equities or claims, except for the pledge of such capital stock to the Company's lender to secure the Company's obligations under its revolving line of credit.

(vii) The Company has an authorized, issued and outstanding capitalization as set forth in the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus. All of the issued shares of capital stock of the Company, including the Selling Securityholder Firm Securities and the Option Securities to be sold by the Selling Securityholder, have been duly authorized and validly issued and are fully paid and nonassessable. The Company Firm Securities and the Option Securities to be sold by the Company have been duly authorized and at the Firm Closing Date, or the Option Closing Date, as the case may be, after payment therefor in accordance herewith, will be validly issued, fully paid and nonassessable. No holders of outstanding shares of capital stock of the Company are entitled as such to any preemptive or other rights to subscribe for any of the Securities, and no holder of securities of the Company has any right which has not been fully exercised or waived to require the Company to register the offer or sale of any securities owned by such holder under the Act in the public offering contemplated by this Agreement.

(viii) The capital stock of the Company conforms in all material respects to the description thereof contained in the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus.

(ix) Except as disclosed in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), there are no outstanding (A) securities or obligations of the Company or any of its subsidiaries convertible into or exchangeable for any capital stock of the Company or any such subsidiary, (B) warrants, rights or options to subscribe for or purchase from the Company or any such subsidiary any such capital stock or any such convertible or exchangeable securities or obligations, or (C) obligations of the Company or any such subsidiary to issue any shares of capital stock, any such convertible or exchangeable securities or obligations, or any such warrants, rights or options.

(x) The consolidated financial statements and schedules of the Company and its consolidated subsidiaries included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) fairly present the financial position of the Company and its consolidated subsidiaries and the results of operations and changes in financial condition as of the dates and periods therein specified. Such financial statements and schedules have been prepared in accordance with generally accepted accounting principles consistently applied throughout the periods involved (except as otherwise noted therein). The selected financial data set forth under the caption "Selected Consolidated Financial Data" in the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) fairly present, on the basis stated in the Prospectus (or such Preliminary Prospectus), the information included therein. The pro forma consolidated statement of operations data of the Company and its consolidated subsidiaries together with the related notes thereto included under the caption "Pro Forma Unaudited Consolidated Statement of Operations Data" and elsewhere in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) present fairly the information contained therein, have been prepared in accordance with the Commission's rules and guidelines with respect to pro forma financial statements and have been properly presented on the pro forma basis described therein, and the assumptions used in the preparation thereof are reasonable and the adjustments used therein are appropriate to give effect to the transactions and circumstances referred to therein.

(xi) Coopers & Lybrand L.L.P., who have certified certain financial statements of the Company and its consolidated subsidiaries and delivered its report with respect to the audited consolidated financial statements and schedules included in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), are independent public accountants as required by the Act and the applicable rules and regulations thereunder.

(xii) The execution and delivery of this Agreement have been duly authorized by the Company and this Agreement has been duly executed and delivered by the Company and is the valid and binding agreement of the Company enforceable against the Company in accordance with its terms.

(xiii) The execution and delivery of the Services Agreement, the Tax Indemnity Agreement, the Registration Rights Agreement and the Sublease Agreement (collectively, the "Intercompany Agreements") have been duly authorized by the Company and the Intercompany Agreements have been duly executed and delivered by the Company, and are the valid and binding agreements of the Company enforceable against the Company in accordance with their terms, except as rights to indemnification and contribution under

the Separation Agreement and the Registration Rights Agreement may be limited by applicable law and except as the enforcement of any such agreements may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting the rights and remedies of creditors or by general equitable principles.

(xiv) No legal or governmental proceedings are pending to which the Company or any of its subsidiaries is a party or to which the property of the Company or any of its subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not described therein (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), and no such proceedings have been threatened against the Company or any of its subsidiaries or with respect to any of their respective properties; and no contract or other document is required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described therein (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) or filed as required.

(xv) The issuance, offering and sale of the Company Firm Securities to the Underwriters by the Company pursuant to this Agreement, the compliance by the Company with the other provisions of this Agreement, the consummation of the other transactions herein contemplated and the compliance by the Company with the provisions of the Intercompany Agreements do not (A) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained, such as may be required under state securities or blue sky laws and, if the registration statement filed with respect to the Securities (as amended) is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act, or (B) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their respective properties are bound, or the charter documents or by-laws of the Company or any of its subsidiaries, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to the Company or any of its subsidiaries.

(xvi) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus, neither the Company nor any of its subsidiaries has sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding and there has not been any material adverse change, or any development involving a prospective

material adverse change, in the condition (financial or otherwise), management, business prospects, net worth, or results of the operations of the Company or any of its subsidiaries, except in each case as described in or contemplated by the Prospectus or, if the Prospectus is not in existence, the most recent Preliminary Prospectus.

(xvii) The Company has not, directly or indirectly, (A) taken any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (B) since the filing of the Registration Statement (1) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Securities or (2) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(xviii) Subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus), (A) the Company and its subsidiaries have not incurred any material liability or obligation, direct or contingent not in the ordinary course of business, nor entered into any material transaction not in the ordinary course of business; (B) the Company has not purchased any of its outstanding capital stock, nor declared, paid or otherwise made any dividend or distribution of any kind on its capital stock; and (C) there has not been any material change in the capital stock, short-term debt or long-term debt of the Company and its consolidated subsidiaries, except in each case as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xix) The Company and each of its subsidiaries have good and marketable title in fee simple to all items of real property and marketable title to all personal property owned by each of them, in each case free and clear of any security interests, liens, encumbrances, equities, claims and other defects, except as described in or contemplated by the Prospectus (or if the Prospectus is not in existence, the most recent Preliminary Prospectus) or as do not materially and adversely affect the value of such property and do not interfere with the use made or proposed to be made of such property by the Company or such subsidiary, and any real property and buildings held under lease by the Company or any such subsidiary are held under valid, subsisting and enforceable leases, with such exceptions as are not material and do not interfere with the use made or proposed to be made of such property and buildings by the Company or such subsidiary, in each case except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xx) No labor dispute with the employees of the Company or any of its subsidiaries exists or is threatened or imminent that could result in a material adverse

change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxi) The Company and its subsidiaries own or possess, or can acquire on reasonable terms, all material patents, patent applications, trademarks, service marks, trade names, licenses, copyrights and proprietary or other confidential information currently employed by them in connection with their respective businesses, and neither the Company nor any such subsidiary has received any notice of infringement of or conflict with asserted rights of any third party with respect to any of the foregoing which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxii) The Company and each of its subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses in which they are engaged; neither the Company nor any such subsidiary has been refused any insurance coverage sought or applied for; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not materially and adversely affect the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxiii) No subsidiary of the Company is currently prohibited, directly or indirectly, from paying any dividends to the Company, from making any other distribution on such subsidiary's capital stock, from repaying to the Company any loans or advances to such subsidiary from the Company or from transferring any of such subsidiary's property or assets to the Company or any other subsidiary of the Company, except pursuant to the Company's agreement with the lender providing its revolving line of credit or as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxiv) The Company and its subsidiaries possess all certificates, authorizations and permits issued by the appropriate federal, state or foreign regulatory authorities necessary to conduct their respective businesses, and neither the Company nor any such subsidiary has received any notice of proceedings relating to the revocation or modification of any such certificate, authorization or permit which, singly or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxv) The Company will conduct its operations in a manner that will not subject it to registration as an investment company under the Investment Company Act of 1940, as amended (the "Investment Company Act"), and this transaction will not cause the Company to become an investment company subject to registration under such Act.

(xxvi) Each of the Selling Securityholder, the Company and their respective subsidiaries has filed all foreign, federal, state and local tax returns that are required to be filed or has requested extensions thereof (except in any case in which the failure so to file would not have a material adverse effect on the Company and its subsidiaries) and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for any such assessment, fine or penalty that is currently being contested in good faith or as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxvii) Neither the Company nor any of its subsidiaries is in violation of any federal or state law or regulation relating to occupational safety and health or to the storage, handling or transportation of hazardous or toxic materials and the Company and its subsidiaries have received all permits, licenses or other approvals required of them under applicable federal and state occupational safety and health and environmental laws and regulations to conduct their respective businesses, and the Company and each such subsidiary is in compliance with all terms and conditions of any such permit, license or approval, except any such violation of law or regulation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals which would not, singly or in the aggregate, result in a material adverse change in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its subsidiaries, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxviii) Each certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters shall be deemed to be a representation and warranty by the Company to each Underwriter as to the matters covered thereby.

(xxix) Except for the shares of capital stock of each of the subsidiaries owned by the Company and such subsidiaries, neither the Company nor any such subsidiary owns any shares of stock or any other equity securities of any corporation or has any equity interest in any firm, partnership, association or other entity, except as described in or contemplated by the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(xxx) The Company and each of its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxxi) No default exists, and no event has occurred which, with notice or lapse of time or both, would constitute a default in the due performance and observance of any term, covenant or condition of any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries or any of their respective properties is bound or may be affected in any respect with regard to property, business or operations of the Company and its subsidiaries, except for such defaults which would not singly, or in the aggregate, result in a Material Adverse Effect.

(xxxii) The Company has not distributed and, prior to the later of (A) the Closing Date and (B) the completion of the distribution of the Securities, will not distribute any offering material in connection with the offering and sale of the Securities other than the Registration Statement or any amendment or supplement thereto, and the Preliminary Prospectus or the Prospectus and any amendment on supplement thereto or other materials, if any permitted by the Act.

(b) The Selling Securityholder represents and warrants to, and agrees with, each of the several Underwriters that:

(i) The Selling Securityholder has full power (corporate and other) to enter into this Agreement, to sell, assign, transfer and deliver to the Underwriters the Securities to be sold by the Selling Securityholder hereunder in accordance with the terms of this Agreement and the full power (corporate and other) to enter into the Intercompany Agreements; and this Agreement and the Intercompany Agreements have been duly executed and delivered by the Selling Securityholder and constitute the legal, valid and binding agreements of the Selling Securityholder enforceable in accordance with their respective terms. (except as rights to indemnification and contribution under the Intercompany Agreements may be limited by applicable law, and except as enforcement (i) may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting creditors' rights generally and (ii) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law)).

(ii) The Selling Securityholder is the lawful owner of the Securities to be sold by the Selling Securityholder hereunder and upon sale and delivery of, and payment for, such Securities, as provided herein, the Selling Securityholder will convey good and marketable title to such Securities, free and clear of any security interests, liens, encumbrances, equities, claims or other defects.

(iii) The Selling Securityholder has not, directly or indirectly, (A) taken any action designed to cause or result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (B) since the filing of the Registration Statement (1) sold, bid for, purchased, or paid anyone any compensation for soliciting purchases of, the Securities or (2) paid or agreed to pay to any person any compensation for soliciting another to purchase any other securities of the Company (except for the sale of Securities by the Selling Securityholder under this Agreement).

(iv) To the extent that any statements or omissions are made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto in reliance upon and in conformity with written information furnished to the Company by the Selling Securityholder specifically for use therein, such Preliminary Prospectus did, and the Registration Statement and the Prospectus and any amendments or supplements thereto, when they become effective or are filed with the Commission, as the case may be, will conform in all material respects to the requirements of the Act, the Exchange Act and the respective rules and regulations of the Commission thereunder and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading. The Selling Securityholder has reviewed the

Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus) and the Registration Statement, and the information regarding the Selling Securityholder set forth therein under the caption "Principal and Selling Stockholder" is complete and accurate.

(v) The sale of the Securities by the Selling Securityholder pursuant hereto is not prompted by any adverse information concerning the Company that is not set forth in the Registration Statement or the Prospectus (or, if the Prospectus is not in existence, the most recent Preliminary Prospectus).

(vi) The sale of the Securities to the Underwriters by the Selling Securityholder pursuant to this Agreement, the compliance by the Selling Securityholder with the other provisions of this Agreement, the consummation of the other transactions herein contemplated and the compliance by the Selling Securityholder with the provisions of the Intercompany Agreements do not (A) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained, such as may be required under state securities or blue sky laws and, if the registration statement filed with respect to the Securities (as amended) is not effective under the Act as of the time of execution hereof, such as may be required (and shall be obtained as provided in this Agreement) under the Act, or (B) conflict with or result in a breach or violation of any of the terms and provisions of, or constitute a default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Selling Securityholder is a party or by which the Selling Securityholder or any of the Selling Securityholder's properties are bound, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator applicable to the Selling Securityholder.

(vii) The Securityholder has not distributed and, prior to the later of (A) the Closing Date and (B) the completion of the distribution of the Securities, will not distribute any offering material in connection with the offering and sale of the Securities other than the Registration Statement or any amendment thereto, and Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or other materials, if any permitted by the Act.

(viii) The transactions contemplated hereby will not cause the Selling Securityholder to become an investment company subject to the registration under the Investment Company Act.

(ix) Each certificate signed by any officer of the Selling Securityholder and delivered to the Representatives or counsel for the Underwriters shall be deemed to be

a representation and warranty by the Selling Securityholder to each Underwriter as to the matters covered thereof.

3. Purchase, Sale and Delivery of the Securities. (a) On the basis of the representations, warranties, agreements and covenants herein contained and subject to the terms and conditions herein set forth, the Company agrees to issue and sell the Company Firm Securities and the Selling Securityholder agrees to sell the Selling Securityholder Securities to the Underwriters, and each of the Underwriters, severally and not jointly, agrees to purchase from the Company and the Selling Securityholder, at a purchase price of $_____ per share, the number of Firm Securities set forth opposite the name of such Underwriter in Schedule 1 hereto. The number of Firm Securities to be purchased from the Company and the Selling Securityholder, respectively (as adjusted by the Representatives to avoid fractions), by each of the Underwriters shall be determined by multiplying the aggregate number of such Firm Securities to be sold by the Company or the Selling Securityholder, as the case may be, by a fraction, the numerator of which is the number of Firm Securities, set forth opposite the name of such Underwriter on Schedule 1 hereto and the denominator of which is the total number of Firm Securities set forth on Schedule 1 hereto. One or more certificates in definitive form for the Firm Securities that the several Underwriters have agreed to purchase hereunder, and in such denomination or denominations and registered in such name or names as the Representatives request upon notice to the Company and the Selling Securityholder at least 48 hours prior to the Firm Closing Date, shall be delivered by or on behalf of the Company and the Selling Securityholder to the Representatives for the respective accounts of the Underwriters, against payment by or on behalf of the Underwriters of the purchase price therefor by wire transfer in same-day funds (the "Wired Funds") to the respective accounts of the Company and the Selling Securityholder. Such delivery of and payment for the Firm Securities shall be made at the offices of Fulbright & Jaworski L.L.P., 666 Fifth Avenue, New York, New York 10103 at 9:30 A.M., New York time, on _____, 1998, or at such other place, time or date as the Representatives, the Company and the Selling Securityholder may agree upon or as the Representatives may determine pursuant to Section 9 hereof, such time and date of delivery against payment being herein referred to as the "Firm Closing Date". Each of the Company and the Selling Securityholder severally will make such certificate or certificates for the Firm Securities available for checking and packaging by the Representatives at the offices in New York, New York of the Company's transfer agent or registrar or of Prudential Securities Incorporated at least 24 hours prior to the Firm Closing Date.

(b) For the purpose of covering any over-allotments in connection with the distribution and sale of the Firm Securities as contemplated by the Prospectus, the Company and the Selling Securityholder hereby grant to the several Underwriters options to purchase, severally and not jointly, the Option Securities in the respective

amounts of 600,000 shares and 300,000 shares. The purchase price to be paid for any Option Securities shall be the same price per share as the price per share for the Firm Securities set forth above in paragraph (a) of this Section 3. The options granted hereby may be exercised as to all or any part of the Option Securities from time to time within thirty (30) days after the date of the Prospectus (or, if such 30th day shall be a Saturday or Sunday or a holiday, on the next business day thereafter when the New York Stock Exchange is open for trading). The Underwriters shall not be under any obligation to purchase any of the Option Securities prior to the exercise of such options. The Representatives may from time to time exercise the options granted hereby by giving notice in writing or by telephone (confirmed in writing) to the Selling Securityholder setting forth the aggregate number of Option Securities as to which the several Underwriters are then exercising the options and the date and time for delivery of and payment for such Option Securities. Any such date of delivery shall be determined by the Representatives but shall not be earlier than two business days or later than five business days after such exercise of the options and, in any event, shall not be earlier than the Firm Closing Date. The time and date set forth in such notice, or such other time on such other date as the Representatives and the Selling Securityholder may agree upon or as the Representatives may determine pursuant to Section 9 hereof, is herein called the "Option Closing Date" with respect to such Option Securities. Upon exercise of the options as provided herein, the Company shall become obligated to issue and sell and the Selling Securityholder shall become obligated to sell to each of the several Underwriters, and, subject to the terms and conditions herein set forth, each of the Company and the Underwriters (severally and not jointly) shall become obligated to purchase from the Selling Securityholder, the same percentage of the total number of the Option Securities as to which the several Underwriters are then exercising the options as such Underwriter is obligated to purchase of the aggregate number of Firm Securities, as adjusted by the Representatives in such manner as they deem advisable to avoid fractional shares. Any partial exercise of the options granted hereby shall be made on a pro rata basis in proportion to the respective maximum number of Option Securities to be sold by each of the Company and the Selling Securityholder as set forth herein. If the options are exercised as to all or any portion of the Option Securities, one or more certificates in definitive form for such Option Securities, and payment therefor, shall be delivered on the related Option Closing Date in the manner, and upon the terms and conditions, set forth in paragraph (a) of this Section 3, except that reference therein to the Firm Securities and the Firm Closing Date shall be deemed, for purposes of this paragraph (b), to refer to such Option Securities and Option Closing Date, respectively.

(c) Each of the Company and the Selling Securityholder hereby acknowledges that the wire transfer by or on behalf of the Underwriters of the purchase price for any Securities does not constitute closing of a purchase and sale of the Securities. Only execution and delivery of a receipt for Securities by the Underwriters indicates

completion of the closing of a purchase of the Securities from the Company or the Selling Securityholder, as the case may be. Furthermore, in the event that the Underwriters wire funds to the Company or the Selling Securityholder prior to the completion of the closing of a purchase of Securities, each of the Company and the Selling Securityholder hereby acknowledges that until the Underwriters execute and deliver a receipt for the Securities, by facsimile or otherwise, the Company or the Selling Securityholder, as the case may be, will not be entitled to the wired funds and shall return the wired funds to the Underwriters as soon as practicable (by wire transfer of same-day funds) upon demand. In the event that the closing of a purchase of Securities is not completed and the wire funds are not returned by the Company or the Selling Securityholder, as the case may be, to the Underwriters on the same day the wired funds were received by the Company or the Selling Securityholder, as the case may be, each of the Company and the Selling Securityholder agrees to pay to the Underwriters in respect of each day the wire funds are not returned by it, in same-day funds, interest on the amount of such wire funds in an amount representing the Underwriters' cost of financing as reasonably determined by Prudential Securities Incorporated.

(d) It is understood that either of you, individually and not as one of the Representatives, may (but shall not be obligated to) make payment on behalf of any Underwriter or Underwriters for any of the Securities to be purchased by such Underwriter or Underwriters. No such payment shall relieve such Underwriter or Underwriters from any of its or their obligations hereunder.

4. Offering by the Underwriters. Upon your authorization of the release of the Firm Securities, the several Underwriters propose to offer the Firm Securities for sale to the public upon the terms set forth in the Prospectus.

5. Covenants of the Company and the Selling Securityholder. (a) The Company and the Selling Securityholder, jointly and severally, covenant and agree with each of the Underwriters that:

(i) The Company and the Selling Securityholder will use their best efforts to cause the Registration Statement, if not effective at the time of execution of this Agreement, and any amendments thereto to become effective as promptly as possible. If required, the Company will file the Prospectus or any Term Sheet that constitutes a part thereof and any amendment or supplement thereto with the Commission in the manner and within the time period required by Rules 434 and 424(b) under the Act. During any time when a prospectus relating to the Securities is required to be delivered under the Act, the Company (A) will comply with all requirements imposed upon it by the Act and the rules and regulations of the Commission thereunder to the extent necessary to permit the continuance of sales of or dealings in the Securities in

accordance with the provisions hereof and of the Prospectus, as then amended or supplemented, and (B) will not file with the Commission the Prospectus, Term Sheet or the amendment referred to in the second sentence of Section 2(a)(i) hereof, any amendment or supplement to such Prospectus, Term Sheet or any amendment to the Registration Statement or any Rule 462(b) Registration Statement of which the Representatives previously have been advised and furnished with a copy for a reasonable period of time prior to the proposed filing and as to which filing the Representatives shall not have given their consent. The Company will prepare and file with the Commission, in accordance with the rules and regulations of the Commission, promptly upon request by the Representatives or counsel for the Underwriters, any amendments to the Registration Statement or amendments or supplements to the Prospectus that may be necessary or advisable in connection with the distribution of the Securities by the several Underwriters, and will use its best efforts to cause any such amendment to the Registration Statement to be declared effective by the Commission as promptly as possible. The Company will advise the Representatives, promptly after receiving notice thereof, of the time when the Registration Statement or any amendment thereto has been filed or declared effective or the Prospectus or any amendment or supplement thereto has been filed and will provide evidence satisfactory to the Representatives of each such filing or effectiveness.

(ii) The Company will advise the Representatives, promptly after receiving notice or obtaining knowledge thereof, of (A) the issuance by the Commission of any stop order suspending the effectiveness of the Original Registration Statement or any Rule 462(b) Registration Statement or any amendment thereto or any order preventing or suspending the use of any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, (B) the suspension of the qualification of the Securities for offering or sale in any jurisdiction, (C) the institution, threatening or contemplation of any proceeding for any such purpose or (D) any request made by the Commission for amending the Original Registration Statement or any Rule 462(b) Registration Statement, for amending or supplementing the Prospectus or for additional information. The Company will use its best efforts to prevent the issuance of any such stop order and, if any such stop order is issued, to obtain the withdrawal thereof as promptly as possible.

(iii) The Company will cooperate with the Representatives and counsel for the Underwriters for the qualification of the Securities for offering and sale under (or obtain exemptions from the application of) the securities or blue sky laws of such jurisdictions as the Representatives may designate and will continue such qualifications in effect for as long as may be necessary to complete the distribution of the Securities, provided, however, that in connection therewith the Company shall not be required to qualify as a foreign corporation, to execute a general consent to service

of process in any jurisdiction or take any action which would subject it to taxation as a foreign corporation.

(iv) If, at any time prior to the later of (A) the final date when a prospectus relating to the Securities is required to be delivered under the Act or (B) the Option Closing Date, any event occurs as a result of which the Prospectus, as then amended or supplemented, would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if for any other reason it is necessary at any time to amend or supplement the Prospectus to comply with the Act or the rules or regulations of the Commission thereunder, the Company will promptly notify the Representatives thereof and, subject to Section 5(a)(i) hereof, will prepare and file with the Commission, at the Company's expense, an amendment to the Registration Statement or an amendment or supplement to the Prospectus that corrects such statement or omission or effects such compliance.

(v) The Company will, without charge, provide (A) to the Representatives and to counsel for the Underwriters a signed copy of the registration statement originally filed with respect to the Securities and each amendment thereto (in each case including exhibits thereto) or any Rule 462(b) Registration Statement, certified by the Secretary or an Assistant Secretary of the Company to be true and complete copies thereof as filed with the Commission by electronic transmission, (B) to each other Underwriter, a conformed copy of such registration statement or any Rule 462(b) Registration Statement and each amendment thereto (in each case without exhibits thereto) and (C) so long as a prospectus relating to the Securities is required to be delivered under the Act, as many copies of each Preliminary Prospectus or the Prospectus or any amendment or supplement thereto as the Representatives may reasonably request; without limiting the application of clause (C) of this sentence, the Company, not later than (A) 6:00 PM, New York City time, on the date of determination of the public offering price, if such determination occurred at or prior to 10:00 A.M., New York City time, on such date or (B) 2:00 PM, New York City time, on the business day following the date of determination of the public offering price, if such determination occurred after 10:00 A.M., New York City time, on such date, will deliver to the Underwriters, without charge, as many copies of the Prospectus and any amendment or supplement thereto as the Representatives may reasonably request for purposes of confirming orders that are expected to settle on the Firm Closing Date. The Company will provide or cause to be provided to each of the Representatives, and to each Underwriter that so requests in writing, a copy of each report on Form SR filed by the Company as required by Rule 463 under the Act.

(vi) The Company, as soon as practicable, will make generally available to its securityholders and to the Representatives a consolidated earnings statement of the

Company and its subsidiaries that satisfies the provisions of Section 11(a) of the Act and Rule 158 thereunder.

(vii) The Company will apply the net proceeds from the sale of the Securities as set forth under "Use of Proceeds" in the Prospectus.

(viii) Except pursuant to this Agreement, the Company will not, directly or indirectly, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters, offer, sell, offer to sell, contract to sell, pledge, grant any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, pledge, grant of any option to purchase or other sale or disposition) of any shares of Common Stock or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock for a period of 180 days after the date hereof, except pursuant to this Agreement and except for issuances pursuant to the exercise of outstanding employee stock options and pursuant to options granted under the Company's stock option plans and may issue shares of Common Stock in connection with the acquisition of certain entities, but only if the holders of such shares, options or shares issued upon exercise of such options, agree in writing not to sell, offer, dispose of or otherwise transfer any such shares or options during the remainder of the 180 day period without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters.

(ix) The Company will not, directly or indirectly, (A) take any action designed to cause or to result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (B) (1) sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of, the Securities or (2) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company.

(x) The Company will obtain the agreements described in Section 7(h) hereof prior to the Firm Closing Date.

(xi) If at any time during the 25-day period after the Registration Statement becomes effective or the period prior to the Option Closing Date, any rumor, publication or event relating to or affecting the Company shall occur as a result of which in your opinion the market price of the Common Stock has been or is likely to be materially affected (regardless of whether such rumor, publication or event necessitates a supplement to or amendment of the Prospectus), the Company will, after notice from you advising the Company to the effect set forth above, forthwith prepare, consult with you concerning the substance of, and disseminate a press release or other

public statement, reasonably satisfactory to you, responding to or commenting on such rumor, publication or event.

(xii) If the Company elects to rely on Rule 462(b), the Company shall both file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) and pay the applicable fees in accordance with Rule 111 promulgated under the Act by the earlier of (A) 10:00 P.M. Eastern time on the date of this Agreement and (B) the time confirmations are sent or given, as specified by Rule 462(b)(2).

(xiii) The Company will cause the Securities to be listed on the New York Stock Exchange (the "NYSE") prior to the commencement of the offering of Securities. The Company will ensure that the Securities remain listed on the NYSE following the Firm Closing Date.

(b) The Selling Securityholder covenants and agrees with each of the several Underwriters that:

(i) The Selling Securityholder will not, directly or indirectly, (A) take any action designed to cause or result in, or that has constituted or which might reasonably be expected to constitute, the stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities or (B) (1) sell, bid for, purchase, or pay anyone any compensation for soliciting purchases of, the Securities or (2) pay or agree to pay to any person any compensation for soliciting another to purchase any other securities of the Company other than as provided by this Agreement.

(ii) The Selling Securityholder will not, directly or indirectly, without the prior written consent of Prudential Securities Incorporated, offer, sell, offer to sell, contract to sell, grant any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, grant of any option to purchase or other sale or disposition) of any Securities legally or beneficially owned by such Selling Securityholder or any securities convertible into, or exchangeable or exercisable for, Securities for a period of 360 days after the date hereof, except pursuant to this Agreement.

(iii) As soon as the Selling Securityholder is advised thereof, the Selling Securityholder will advise the Representatives (and immediately thereafter confirm such advise in writing), (A) of receipt by the Selling Securityholder or by any representative or agent of the Selling Securityholder, of any communication from the Commission relating to the Registration Statement, the Prospectus or any Preliminary Prospectus, or any notice or order of the Commission relating to the Company or the Selling Securityholder in connection with the transactions contemplated by this

Agreement and (B) of the happening of any event which makes or may make any statement of a material fact made in the Registration Statement, the Prospectus or any Preliminary Prospectus relating to the Selling Securityholder untrue or that requires the making of any change in the Registration Statement, Prospectus or Preliminary Prospectus, as the case may be, in order to make such statement, in light of the circumstances in which it was made, not misleading.

(iv) For a period of 365 days after the date hereof, the Selling Securityholder shall not effect a corporate dissolution or otherwise cease operations.

6. Expenses. The Company will pay all costs and expenses incident to the performance of its obligations under this Agreement, whether or not the transactions contemplated herein are consummated or this Agreement is terminated pursuant to Section 11 hereof, including all costs and expenses incident to (i) the printing or other production of documents with respect to the transactions, including any costs of printing the registration statement originally filed with respect to the Securities and any amendment thereto, any Rule 462(b) Registration Statement, any Preliminary Prospectus and the Prospectus and any amendment or supplement thereto, this Agreement and any blue sky memoranda, (ii) all arrangements relating to the delivery to the Underwriters of copies of the foregoing documents, (iii) the fees and disbursements of the counsel, the accountants and any other experts or advisors retained by the Company, (iv) preparation, issuance and delivery to the Underwriters of any certificates evidencing the Securities, including transfer agent's and registrar's fees, (v) the qualification of the Securities under state securities and blue sky laws, including filing fees and the reasonable fees and disbursements of counsel for the Underwriters relating thereto, (vi) the filing fees of the Commission and the National Association of Securities Dealers, Inc. relating to the Securities, (vii) any listing of the Securities on the NYSE, (viii) any meetings with prospective investors in the Securities (other than as shall have been specifically approved by the Representatives to be paid for by the Underwriters), and (ix) advertising related to the offering of the Securities (other than as shall have been specifically approved by the Representatives to be paid for by the Underwriters). If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 7 hereof is not satisfied, because this Agreement is terminated pursuant to Section 11 hereof or because of any failure, refusal or inability on the part of the Company or the Selling Securityholder to perform all obligations and satisfy all conditions on their part to be performed or satisfied hereunder other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally upon demand for all out-of-pocket expenses (including counsel fees and disbursements) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities. The Company shall not in any event be liable to any of the Underwriters for the loss of anticipated profits from the transactions covered

by this Agreement. The provisions of this Section 6 are intended to relieve the Underwriters from payment of the costs and expenses which the Company hereby agrees to pay and shall not affect any agreement between the Company and the Selling Securityholder for the sharing of such costs and expenses.

7. Conditions of the Underwriters' Obligations. The obligations of the several Underwriters to purchase and pay for the Firm Securities shall be subject, in the Representatives' sole discretion, to the accuracy of the representations and warranties of the Company and the Selling Securityholder contained herein as of the date hereof and as of the Firm Closing Date, as if made on and as of the Firm Closing Date, to the accuracy of the statements of the Company's officers made pursuant to the provisions hereof, to the performance by the Company and the Selling Securityholder of their covenants and agreements hereunder and to the following additional conditions:

(a) If the Original Registration Statement or any amendment thereto filed prior to the Firm Closing Date has not been declared effective as of the time of execution hereof, the Original Registration Statement or such amendment and, if the Company has elected to rely upon Rule 462(b), the Rule 462(b) Registration Statement shall have been declared effective not later than the earlier of (i) 11:00 A.M., New York time, on the date on which the amendment to the registration statement originally filed with respect to the Securities or to the Registration Statement, as the case may be, containing information regarding the initial public offering price of the Securities has been filed with the Commission and (ii) the time confirmations are sent or given as specified by Rule 462(b)(2), or with respect to the Original Registration Statement, or such later time and date as shall have been consented to by the Representatives; if required, the Prospectus or any Term Sheet that constitutes a part thereof and any amendment or supplement thereto shall have been filed with the Commission in the manner and within the time period required by Rules 434 and 424(b) under the Act; no stop order suspending the effectiveness of the Registration Statement or any amendment thereto shall have been issued, and no proceedings for that purpose shall have been instituted or threatened or, to the knowledge of the Company or the Representatives, shall be contemplated by the Commission; and the Company shall have complied with any request of the Commission for additional information (to be included in the Registration Statement or the Prospectus or otherwise).

(b) The Representatives shall have received an opinion, dated the Firm Closing Date, of Woods, Oviatt, Gilman, Sturman & Clarke, LLP, counsel for the Company, to the effect that:

(i) the Company and each of its subsidiaries listed in Exhibit 21 to the Registration Statement (the "Subsidiaries") have been duly organized and are

validly existing as corporations in good standing under the laws of their respective jurisdictions of incorporation and are duly qualified to transact business as foreign corporations and are in good standing under the laws of all other jurisdictions where the ownership or leasing of their respective properties or the conduct of their respective businesses requires such qualification, except where the failure to be so qualified does not have a Material Adverse Effect;

(ii) the Company and each of the Subsidiaries have corporate power to own or lease their respective properties and conduct their respective businesses as described in the Registration Statement and the Prospectus, and the Company has corporate power to enter into this Agreement and to carry out all the terms and provisions hereof to be carried out by it;

(iii) the issued shares of capital stock of each of the Subsidiaries have been duly authorized and validly issued, are fully paid and nonassessable and are owned beneficially by the Company free and clear of any perfected security interests or, to the best knowledge of such counsel, any other security interests, liens, encumbrances, equities or claims, except for the pledge of such capital stock to the Company's lender to secure the Company's obligations under its revolving line of credit;

(iv) the Company has an authorized, issued and outstanding capitalization as set forth under the heading "Capitalization" in the Prospectus; all of the issued shares of capital stock of the Company, including the Selling Securityholder Securities, have been duly authorized and validly issued and are fully paid and nonassessable, to such counsel's knowledge, have been issued in compliance with all applicable federal and state securities laws and were not issued in violation of or subject to any preemptive rights or other rights to subscribe for or purchase securities; the Securities have been duly authorized by all necessary corporate action of the Company and, the Company Firm Securities when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be validly issued, fully paid and nonassessable; the Company has been advised that the Securities have been duly authorized for trading on the NYSE, subject to official notice of issuance; no holders of outstanding shares of capital stock of the Company are entitled as such to any preemptive or other rights to subscribe for any of the Securities; and no holders of securities of the Company are entitled to have such securities registered under the Registration Statement;

(v) the statements set forth under the heading "Description of Capital Stock" in the Prospectus, insofar as such statements purport to summarize certain provisions of the capital stock of the Company, provide a fair summary

of such provisions; and the statements set forth under the headings "Risk Factors - Government Regulation," "- Conflicts of Interest,", "- Provisions with Anti-Takeover Effect" and - Shares Eligible for Future Sale", "Business Insurance" and " - Regulation" and "Description of Capital Stock" in the Prospectus, insofar as such statements constitute a summary of the legal matters, documents or proceedings referred to therein, provide a summary of such legal matters, documents and proceedings in all material respects;

(vi) the execution and delivery of this Agreement have been duly authorized by all necessary corporate action of the Company and this Agreement has been duly executed and delivered by the Company;

(vii) the execution and delivery of the Intercompany Agreements have been duly authorized by all necessary corporate action of the Company and the Intercompany Agreements have been duly executed and delivered by the Company and are the legal, valid, binding and enforceable agreements of the Company except as to indemnification and contribution obligations under the Separation Agreement and the Registration Rights Agreement which may not be enforceable under applicable law and subject to applicable bankruptcy, insolvency and similar laws effecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or in law);

(viii) to the best knowledge of such counsel, (A) no legal or governmental proceedings are pending to which the Company or any of the Subsidiaries is a party or to which the property of the Company or any of the Subsidiaries is subject that are required to be described in the Registration Statement or the Prospectus and are not described therein and no such proceedings have been threatened against the Company or any of the Subsidiaries or with respect to any of their respective properties and (B) no contract or other document is required to be described in the Registration Statement or the Prospectus or to be filed as an exhibit to the Registration Statement that is not described therein or filed as required;

(ix) the issuance, offering and sale of the Securities to the Underwriters by the Company pursuant to this Agreement, the compliance by the Company with the other provisions of this Agreement, the consummation of the other transactions herein contemplated and the compliance by the Company with the terms of the Intercompany Agreements do not (A) require the consent, approval, authorization, registration or qualification of or with any governmental authority, except such as have been obtained and such as may be required under state securities or blue sky laws, or (B) conflict with or result in a breach or

violation of any of the terms and provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument, known to such counsel, to which the Company or any of the Subsidiaries is a party or by which the Company or any of the Subsidiaries or any of their respective properties are bound, or the charter documents or by-laws of the Company or any of the Subsidiaries, or any statute or any judgment, decree, order, rule or regulation of any court or other governmental authority or any arbitrator known to such counsel and applicable to the Company or Subsidiaries;

(x) the Registration Statement is effective under the Act; any required filing of the Prospectus, or any Term Sheet that constitutes a part thereof, pursuant to Rules 434 and 424(b) has been made in the manner and within the time period required by Rules 434 and 424(b); and to the best of such counsel's knowledge, no stop order suspending the effectiveness of the Registration Statement or any amendment thereto has been issued, and no proceedings for that purpose have been instituted or threatened or, to the best knowledge of such counsel, are contemplated by the Commission; and

(xi) the Registration Statement originally filed with respect to the Securities and each amendment thereto, any Rule 462(b) Registration Statement and the Prospectus (in each case, other than the financial statements and other financial or accounting information contained therein, as to which such counsel shall express no opinion) comply as to form in all material respects with the applicable requirements of the Act and the rules and regulations of the Commission thereunder.

(xii) if the Company elects to rely on Rule 434, the Prospectus is not "materially different", as such term is used in Rule 434, from the prospectus included in the Registration Statement at the time of its effectiveness or an effective post-effective amendment thereto (including such information that is permitted to be omitted pursuant to Rule 430A).

Such counsel shall also state that they have no reason to believe that the Registration Statement, as of its effective date, contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein not misleading or that the Prospectus, as of its date or the date of such opinion, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

In rendering any such opinion, such counsel may rely, as to matters of fact, to the extent such counsel deems proper, on certificates of responsible officers of the Company and public officials. Such counsel may also state that their opinions are limited in all respects to the laws of the State of New York, the General Corporation Law of the State of Delaware, the laws of the State of Nevada and applicable United States federal law, other than law pertaining to the U.S. Food and Drug Administration, and that they have relied, insofar as the laws of the State of Nevada are concerned, upon the opinion of Marshall, Hill, Cassius and deLipkau.

References to the Registration Statement and the Prospectus in this paragraph

(b) shall include any amendment or supplement thereto at the date of such opinion.

(c) The Selling Securityholder shall have furnished to the Representatives the opinion of Baker & Botts LLP, counsel for the Selling Securityholder, dated the Closing Date, to the effect that:

(i) the Selling Securityholder has all requisite corporate power to enter into this Agreement and the Tax Indemnity Agreement and the Registration Rights Agreement and to sell, transfer and deliver the Selling Securityholder Securities in the manner provided in this Agreement and to perform its obligations under this Agreement and the Tax Indemnity Agreement and the Registration Rights Agreement; this Agreement [and the Tax Indemnity Agreement and the Registration Rights Agreement] have been duly executed and delivered by the Selling Securityholder and are the legal, valid, binding and enforceable agreements of the Selling Securityholder, except as rights to indemnity and contribution may be limited by applicable law or public policy, and except as enforcement (i) may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally and (ii) is subject to general principles of equity and public policy (regardless of whether such enforceability is considered in a proceeding in equity or at law);

(ii) upon the delivery by the Selling Securityholder to the several Underwriters of certificates for the Securities being sold hereunder by the Selling Securityholder against payment therefor as provided herein, assuming that the Underwriters have purchased such Securities in good faith and without "notice of an adverse claim" (within the meaning of Article 8 of the Uniform Commercial Code of the State of Nevada), the several Underwriters will acquire such Securities free and clear of any security interests, liens, encumbrances or other "adverse claims" (within the meaning of Article 8 of the Uniform Commercial Code of the State of Nevada);

(iii) the sale of the Securities to the Underwriters by the Selling Securityholder pursuant to this Agreement, the compliance by the Selling Securityholder with the other provisions of this Agreement, the consummation of the other transactions herein contemplated and the compliance by the Selling Securityholder with the terms of the Tax Indemnity Agreement and the Registration Rights Agreement do not (A) require the consent, approval, authorization, registration or qualification of or with any governmental authority of the United States, the State of Texas, the State of New York or the State of Delaware, except such as have been obtained and such as may be required under state securities or blue sky laws, such as may be required under the Securities Act, the Exchange Act or any applicable state or foreign securities or Blue Sky laws in connection with the purchase and distribution of the Securities by the Underwriters and the clearance of such offering with the NASD (as to which we do not express an opinion) or such which, if not made or obtained, would not reasonably be expected to adversely affect the performance by the Selling Securityholder of its obligations under this Agreement, or (B) result in a breach or violation of any of the terms and provisions of, or constitute a default under any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Selling Securityholder is a party or by which the Selling Securityholder or any of the Selling Securityholder's properties are bound, other than any such breach or violation which would not reasonably be expected to adversely affect the performance by the Selling Securityholder of its obligations under this Agreement or (C) violate any statute (or rule or regulation promulgated pursuant to any such statute) of the United States, the State of Texas, the State of New York or the State of Delaware (provided that such counsel need not express any opinion with respect to compliance with any federal or state securities law, rule or regulation) or, to such counsel's knowledge, any judgment, decree or order of any court or other governmental authority of the United States or the State of Texas, the State of New York or the State of Delaware applicable to the Selling Securityholder, other than any such violation which would not reasonably be expected to adversely affect the performance by the Selling Securityholder of its obligations under this Agreement.

In rendering such opinion, such counsel may rely, as to matters of fact, on certificates of officers of the Company and public officials. Such counsel may also state that their opinions are limited in all respects to the laws of the State of Texas, the contract laws of the State of New York, the General Corporation Law of the State of Delaware, the laws of the State of Nevada and applicable United States federal law, and that they have relied, insofar as the laws of the State of Nevada are concerned, upon the opinion of Marshall, Hill, Cassius and deLipkau.

References to the Registration Statement and the Prospectus in this paragraph

(c) shall include any amendment or supplement thereto at the date of such opinion.

(d) The Representatives shall have received an opinion, dated the Firm Closing Date, of Fulbright & Jaworski L.L.P., New York, New York, counsel for the Underwriters, with respect to the issuance and sale of the Firm Securities, the Registration Statement and the Prospectus, and such other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they may reasonably request for the purpose of enabling them to pass upon such matters.

(e) The Representatives shall have received from Coopers & Lybrand L.L.P. a letter or letters dated, respectively, the date hereof and the Firm Closing Date, in form and substance satisfactory to the Representatives, to the effect that:

(i) they are independent accountants with respect to the Company and its consolidated subsidiaries within the meaning of the Act and the applicable rules and regulations thereunder;

(ii) in their opinion, the audited consolidated financial statements and schedules examined by them and included in the Registration Statement and the Prospectus comply in form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations;

(iii) on the basis of a reading of the latest available interim unaudited consolidated financial statements of the Company and its consolidated subsidiaries, carrying out certain specified procedures (which do not constitute an examination made in accordance with generally accepted auditing standards) that would not necessarily reveal matters of significance with respect to the comments set forth in this paragraph (iii), a reading of the minute books of the stockholders, the board of directors and any committees thereof of the Company and each of its consolidated subsidiaries, and inquiries of certain officials of the Company and its consolidated subsidiaries who have responsibility for financial and accounting matters, nothing came to their attention that caused them to believe that: (A) the unaudited consolidated financial statements of the Company and its consolidated subsidiaries included in the Registration Statement and the Prospectus do not comply in form in all material respects with the applicable accounting requirements of the Act and the related published rules and regulations thereunder or are not in conformity with generally accepted accounting principles applied on a basis substantially

consistent with that of the audited consolidated financial statements included in the Registration Statement and the Prospectus; (B) at a specific date not more than five days prior to the date of such letter, there were any changes in the capital stock or long-term debt of the Company and its consolidated subsidiaries or any decreases in net current assets or stockholders' equity of the Company and its consolidated subsidiaries, in each case compared with amounts shown on the December 31, 1997 unaudited consolidated balance sheet included in the Registration Statement and the Prospectus, or for the period from January 1, 1998 to such specified date total revenues, gross profit, operating income, net income and income per share of the Company and its consolidated subsidiaries were not at least _____% of the comparable amounts for the comparable period in the prior year, except in all instances for changes, decreases or increases set forth in such letter;

(iv) they have carried out certain specified procedures, not constituting an audit, with respect to certain amounts, percentages and financial information that are derived from the general accounting records of the Company and its consolidated subsidiaries and are included in the Registration Statement and the Prospectus under the captions "Prospectus Summary," "Risk Factors," "Company History and Recent Transactions," "Use of Proceeds," "Dividend Policy," "Capitalization," "Dilution," "Selected Consolidated Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," "Management," "Certain Transactions and Arrangements between the Company and Zapata," "Principal and Selling Stockholder," and "Description of Capital Stock," and in Exhibit 11 to the Registration Statement, and have compared such amounts, percentages and financial information with such records of the Company and its consolidated subsidiaries and with information derived from such records and have found them to be in agreement, excluding any questions of legal interpretation; and

(v) on the basis of a reading of the unaudited pro forma consolidated financial statements included in the Registration Statement and the Prospectus, carrying out certain specified procedures that would not necessarily reveal matters of significance with respect to the comments set forth in this paragraph (v), inquiries of certain officials of the Company and its consolidated subsidiaries who have responsibility for financial and accounting matters and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the unaudited pro forma consolidated financial statements, nothing came to their attention that caused them to believe that the unaudited pro forma consolidated condensed financial statements do not comply in form in all material respects with the applicable accounting requirements of

Rule 11-02 of Regulation S-X or that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of such statements.

In the event that the letters referred to above set forth any such changes, decreases or increases, it shall be a further condition to the obligations of the Underwriters that (A) such letters shall be accompanied by a written explanation of the Company as to the significance thereof, unless the Representatives deem such explanation unnecessary, and (B) such changes, decreases or increases do not, in the sole judgment of the Representatives, make it impractical or inadvisable to proceed with the purchase and delivery of the Securities as contemplated by the Registration Statement, as amended as of the date hereof.

References to the Registration Statement and the Prospectus in this paragraph

(e) with respect to either letter referred to above shall include any amendment or supplement thereto at the date of such letter.

(f) The Representatives shall have received a certificate, dated the Firm Closing Date, of the principal executive officer and the principal financial or accounting officer of the Company to the effect that:

(i) the representations and warranties of the Company in this Agreement are true and correct as if made on and as of the Firm Closing Date; the Registration Statement, as amended as of the Firm Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, and the Prospectus, as amended or supplemented as of the Firm Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and the Company has performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied at or prior to the Firm Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement or any amendment thereto has been issued, and no proceedings for that purpose have been instituted or threatened or, to the best of the Company's knowledge, are contemplated by the Commission; and

(iii) subsequent to the respective dates as of which information is given in the Registration Statement and the Prospectus, neither the Company nor any of its subsidiaries has sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any

legal or governmental proceeding, and there has not been any material adverse change, or any development involving a prospective material adverse change, in the condition (financial or otherwise), management, business prospects, net worth or results of operations of the Company or any of its subsidiaries, except in each case as described in or contemplated by the Prospectus (exclusive of any amendment or supplement thereto).

(g) The Representatives shall have received a certificate from the Selling Securityholder, signed by the Selling Securityholder, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Selling Securityholder in this Agreement are true and correct as if made on and as of the Closing Date;

(ii) the Registration Statement, as amended as of the Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading, and the Prospectus, as amended or supplemented as of the Closing Date, does not include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(iii) the Selling Securityholder has performed all covenants and agreements on its part to be performed or satisfied at or prior to the Closing Date.

(h) The Representatives shall have received from each person who is a director or officer of the Company, who owns Common Stock (other than the Selling Securityholder) or who has an option to acquire Common Stock an agreement to the effect that such person will not, directly or indirectly, without the prior written consent of Prudential Securities Incorporated, on behalf of the Underwriters, offer, sell, offer to sell, contract to sell, pledge, grant any option to purchase or otherwise sell or dispose (or announce any offer, sale, offer of sale, contract of sale, pledge, grant of an option to purchase or other sale or disposition) of any shares of Common Stock or any securities convertible into, or exchangeable or exercisable for, shares of Common Stock for a period of 180 days after the date of this Agreement.

(i) On or before the Firm Closing Date, the Representatives and counsel for the Underwriters shall have received such further certificates, documents or other information as they may have reasonably requested from the Company.

(j) Prior to the commencement of the offering of the Securities, the Securities shall have been authorized for trading on the NYSE, subject to official notice of issuance.

All opinions, certificates, letters and documents delivered pursuant to this Agreement will comply with the provisions hereof only if they are reasonably satisfactory in all material respects to the Representatives and counsel for the Underwriters. The Company shall furnish to the Representatives such conformed copies of such opinions, certificates, letters and documents in such quantities as the Representatives and counsel for the Underwriters shall reasonably request.

The respective obligations of the several Underwriters to purchase and pay for any Option Securities shall be subject, in their discretion, to each of the foregoing conditions to purchase the Firm Securities, except that all references to the Firm Securities and the Firm Closing Date shall be deemed to refer to such Option Securities and the related Option Closing Date, respectively.

8. Indemnification and Contribution. (a) The Company and the Selling Securityholder jointly and severally agree to indemnify and hold harmless each Underwriter and each person, if any, who controls any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Securities Exchange Act of 1934 (the "Exchange Act"), against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or such controlling person may become subject under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon:

(i) any untrue statement or alleged untrue statement made by the Company or the Selling Securityholder in Section 2 of this Agreement,

(ii) any untrue statement or alleged untrue statement of any material fact contained in (A) the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto or (B) any application or other document, or any amendment or supplement thereto, executed by the Company or the Selling Securityholder or based upon written information furnished by or on behalf of the Company or the Selling Securityholder filed in any jurisdiction in order to qualify the Securities under the securities or blue sky laws thereof or filed with the Commission or any securities association or securities exchange (each an "Application"),

(iii) the omission or alleged omission to state in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application a

material fact required to be stated therein or necessary to make the statements therein not misleading, or

(iv) any untrue statement or alleged untrue statement of any material fact provided by the Company contained in any audio or visual materials used in connection with the marketing of the Securities, including without limitation, slides, videos, films, tape recordings,

and will reimburse, as incurred, each Underwriter and each such controlling person for any legal or other expenses reasonably incurred by such Underwriter or such controlling person in connection with investigating, defending against or appearing as a third-party witness in connection with any such loss, claim, damage, liability or action; provided, however, that the Company and the Selling Securityholder will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or any amendment thereto, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto or any Application in reliance upon and in conformity with written information furnished to the Company by such Underwriter through the Representatives specifically for use therein; and provided, further, that the Company and the Selling Securityholder will not be liable to any Underwriter or any person controlling such Underwriter with respect to any such untrue statement or omission made in any Preliminary Prospectus that is corrected in the Prospectus (or any amendment or supplement thereto) if the person asserting any such loss, claim, damage or liability purchased Securities from such Underwriter but was not sent or given a copy of the Prospectus (as amended or supplemented) at or prior to the written confirmation of the sale of such Securities to such person in any case where such delivery of the Prospectus (as amended or supplemented) is required by the Act, unless such failure to deliver the Prospectus (as amended or supplemented) was a result of noncompliance by the Company with Section 5(a)(iv) or 5(a)(v) of this Agreement. This indemnity agreement will be in addition to any liability which the Company and the Selling Securityholder may otherwise have.

The indemnifying party under this Section 8 shall not be liable for any settlement of any proceeding effective without its written consent, but if settled with such consent or if there be a final judgement for the plaintiff, the indemnifying party agrees to indemnify the indemnified party against any loss, claim, damage, liability or expense by reason of such settlement or judgement. Neither the Company nor the Selling Securityholder will, without the prior written consent of the Underwriter or Underwriters purchasing, in the aggregate, more than fifty percent (50%) of the Securities, settle or compromise or consent to the entry of any judgment in any pending or threatened claim, action, suit or proceeding in respect of which indemnification may be sought hereunder (whether or not any such Underwriter or any person who controls

any such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act is a party to such claim, action, suit or proceeding), unless such settlement, compromise or consent includes an unconditional release of all of the Underwriters and such controlling persons from all liability arising out of such claim, action, suit or proceeding.

(b) Each Underwriter will, severally and not jointly, indemnify and hold harmless the Company, each of its directors, each of its officers who signed the Registration Statement, the Selling Securityholder and each person, if any, who controls the Company or the Selling Securityholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act against any losses, claims, damages or liabilities to which the Company, any such director or officer of the Company, the Selling Securityholder or any such controlling person of the Company or the Selling Securityholder may become subject under the Act, the Exchange Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon (i) any untrue statement or alleged untrue statement of any material fact contained in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application or (ii) the omission or the alleged omission to state therein a material fact required to be stated in the Registration Statement or any amendment thereto, any Preliminary Prospectus or the Prospectus or any amendment or supplement thereto, or any Application or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by any Underwriter through the Representatives specifically for use therein; and, subject to the limitation set forth immediately preceding this clause, will reimburse, as incurred, any legal or other expenses reasonably incurred by the Company, any such director, officer or controlling person or the Selling Securityholder in connection with investigating or defending, settling, compromising or paying any such loss, claim, damage, liability or any action in respect thereof. This indemnity agreement will be in addition to any liability which each Underwriter may otherwise have.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party of the commencement thereof; but the omission so to notify the indemnifying party will not relieve it from any liability which it may have to any indemnified party otherwise than under this Section 8. In case any such action is brought against any indemnified party, and it notifies the indemnifying party of the commencement thereof, the indemnifying party will be entitled to participate therein and, to the extent that it may wish, jointly with any other indemnifying party similarly

notified, to assume the defense thereof, with counsel satisfactory to such indemnified party; provided, however, that if the defendants in any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be one or more legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, the indemnifying party shall not have the right to direct the defense of such action on behalf of such indemnified party or parties and such indemnified party or parties shall have the right to select separate counsel to defend such action on behalf of such indemnified party or parties. After notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof and approval by such indemnified party of counsel appointed to defend such action, the indemnifying party will not be liable to such indemnified party under this Section 8 for any legal or other expenses, other than reasonable costs of investigation, subsequently incurred by such indemnified party in connection with the defense thereof, unless (i) the indemnified party shall have employed separate counsel in accordance with the proviso to the next preceding sentence (it being understood, however, that in connection with such action the indemnifying party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) in any one action or separate but substantially similar actions in the same jurisdiction arising out of the same general allegations or circumstances, designated by the Representatives in the case of paragraph (a) of this Section 8, representing the indemnified parties under such paragraph (a) who are parties to such action or actions) or (ii) the indemnifying party does not promptly retain counsel satisfactory to the indemnified party or (iii) the indemnifying party has authorized the employment of counsel for the indemnified party at the expense of the indemnifying party. After such notice from the indemnifying party to such indemnified party, the indemnifying party will not be liable for the costs and expenses of any settlement of such action effected by such indemnified party without the consent of the indemnifying party.

(d) In circumstances in which the indemnity agreement provided for in the preceding paragraphs of this Section is unavailable or insufficient, for any reason, to hold harmless an indemnified party in respect of any losses, claims, damages or liabilities (or actions in respect thereof), each indemnifying party, in order to provide for just and equitable contribution, shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect (i) the relative benefits received by the indemnifying party or parties on the one hand and the indemnified party on the other from the offering of the Securities or (ii) if the allocation provided by the foregoing clause (i) is not permitted by applicable law, not only such relative benefits but also the relative fault of the indemnifying party or parties on the one hand and the indemnified party on the other in connection with the statements or omissions or alleged statements or omissions that resulted in such losses, claims,

damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Securityholder on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (before deducting expenses) received by the Company and the Selling Securityholder bear to the total underwriting discounts and commissions received by the Underwriters. The relative fault of the parties shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company, the Selling Securityholder or the Underwriters, the parties' relative intents, knowledge, access to information and opportunity to correct or prevent such statement or omission, and any other equitable considerations appropriate in the circumstances. The Company, the Selling Securityholder and the Underwriters agree that it would not be equitable if the amount of such contribution were determined by pro rata or per capita allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take into account the equitable considerations referred to above in this paragraph (d). Notwithstanding any other provision of this paragraph (d), no Underwriter shall be obligated to make contributions hereunder that in the aggregate exceed the total public offering price of the Securities purchased by such Underwriter under this Agreement, less the aggregate amount of any damages that such Underwriter has otherwise been required to pay in respect of the same or any substantially similar claim, and no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute hereunder are several in proportion to their respective underwriting obligations and not joint, and contributions among Underwriters shall be governed by the provisions of the Prudential Securities Incorporated Master Agreement Among Underwriters. For purposes of this paragraph (d), each person, if any, who controls an Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act shall have the same rights to contribution as such Underwriter, and each director of the Company, each officer of the Company who signed the Registration Statement and each person, if any, who controls the Company or the Selling Securityholder within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, shall have the same rights to contribution as the Company or the Selling Securityholder, as the case may be.

(e) The liability of the Selling Securityholder under this Section 9 shall not exceed the initial public offering price of the Securities sold by the Selling Securityholder to the Underwriters.

9. Default of Underwriters. If one or more Underwriters default in their obligations to purchase Firm Securities or Option Securities hereunder and the

aggregate number of such Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase is ten percent or less of the aggregate number of Firm Securities or Option Securities to be purchased by all of the Underwriters at such time hereunder, the other Underwriters may make arrangements satisfactory to the Representatives for the purchase of such Securities by other persons (who may include one or more of the non-defaulting Underwriters, including the Representatives), but if no such arrangements are made by the Firm Closing Date or the related Option Closing Date, as the case may be, the other Underwriters shall be obligated severally in proportion to their respective commitments hereunder to purchase the Firm Securities or Option Securities that such defaulting Underwriter or Underwriters agreed but failed to purchase. If one or more Underwriters so default with respect to an aggregate number of Securities that is more than ten percent of the aggregate number of Firm Securities or Option Securities, as the case may be, to be purchased by all of the Underwriters at such time hereunder, and if arrangements satisfactory to the Representatives are not made within 36 hours after such default for the purchase by other persons (who may include one or more of the non-defaulting Underwriters, including the Representatives) of the Securities with respect to which such default occurs, this Agreement will terminate without liability on the part of any non-defaulting Underwriter or the Company other than as provided in Section 10 hereof. In the event of any default by one or more Underwriters as described in this Section 9, the Representatives shall have the right to postpone the Firm Closing Date or the Option Closing Date, as the case may be, established as provided in Section 3 hereof for not more than seven business days in order that any necessary changes may be made in the arrangements or documents for the purchase and delivery of the Firm Securities or Option Securities, as the case may be. As used in this Agreement, the term "Underwriter" includes any person substituted for an Underwriter under this Section 9. Nothing herein shall relieve any defaulting Underwriter from liability for its default.

10. Survival. The respective representations, warranties, agreements, covenants, indemnities and other statements of the Company, its officers, the Selling Securityholder and the several Underwriters set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement shall remain in full force and effect, regardless of (i) any investigation made by or on behalf of the Company, any of its officers or directors, the Selling Securityholder, any Underwriter or any controlling person referred to in Section 8 hereof and (ii) delivery of and payment for the Securities. The respective agreements, covenants, indemnities and other statements set forth in Sections 6 and 8 hereof shall remain in full force and effect, regardless of any termination or cancellation of this Agreement.

11. Termination. (a) This Agreement may be terminated with respect to the Firm Securities or any Option Securities in the sole discretion of the Representatives

by notice to the Company and the Selling Securityholder given prior to the Firm Closing Date or the related Option Closing Date, respectively, in the event that the Company or the Selling Securityholder shall have failed, refused or been unable to perform all obligations and satisfy all conditions on its part to be performed or satisfied hereunder at or prior thereto or, if at or prior to the Firm Closing Date or such Option Closing Date, respectively,

(i) the Company or any of its subsidiaries shall have, in the sole judgment of the Representatives, sustained any material loss or interference with their respective businesses or properties from fire, flood, hurricane, accident or other calamity, whether or not covered by insurance, or from any labor dispute or any legal or governmental proceeding or there shall have been any material adverse change, or any development involving a prospective material adverse change (including without limitation a change in management or control of the Company), in the condition (financial or otherwise), business prospects, net worth or results of operations of the Company and its subsidiaries, except in each case as described in or contemplated by the Prospectus (exclusive of any amendment or supplement thereto);

(ii) trading in the Common Stock shall have been suspended by the Commission or the NYSE or trading in securities generally on the NYSE or the Nasdaq Stock Market's National Market shall have been suspended or minimum or maximum prices shall have been established on any such exchange or market system;

(iii) a banking moratorium shall have been declared by New York or United States authorities; or

(iv) there shall have been (A) an outbreak or escalation of hostilities between the United States and any foreign power, (B) an outbreak or escalation of any other insurrection or armed conflict involving the United States or (C) any other calamity or crisis or material adverse change in general economic, political or financial conditions having an effect on the U.S. financial markets that, in the sole judgment of the Representatives, makes it impractical or inadvisable to proceed with the public offering or the delivery of the Securities as contemplated by the Registration Statement, as amended as of the date hereof.

(b) Termination of this Agreement pursuant to this Section 11 shall be without liability of any party to any other party except as provided in Section 10 hereof.

12. Information Supplied by Underwriters. The statements set forth in the last paragraph on the front cover page and under the heading "Underwriting" in any Preliminary Prospectus or the Prospectus (to the extent such statements relate to the Underwriters) constitute the only information furnished by any Underwriter through the Representatives to the Company for the purposes of Sections 2(a)(ii) and 8 hereof. The Underwriters confirm that such statements (to such extent) are correct.

13. Notices. All communications hereunder shall be in writing and, if sent to any of the Underwriters, shall be delivered or sent by mail, telex or facsimile transmission and confirmed in writing to Prudential Securities Incorporated, One New York Plaza, New York, New York 10292, Attention: Equity Transactions Group; and if sent to the Company or the Selling Securityholder, shall be delivered or sent by mail, telex or facsimile transmission and confirmed in writing to the Company and separately to the Selling Securityholder at 1717 St. James Place, Suite 550, Houston, Texas 77056, Attention: Chief Executive Officer.

14. Successors. This Agreement shall inure to the benefit of and shall be binding upon the several Underwriters, the Company, the Selling Securityholder and their respective successors and legal representatives, and nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of such persons and for the benefit of no other person except that (i) the indemnities of the Company and the Selling Securityholder contained in Section 8 of this Agreement shall also be for the benefit of any person or persons who control any Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and (ii) the indemnities of the Underwriters contained in Section 8 of this Agreement shall also be for the benefit of the directors of the Company, the officers of the Company who have signed the Registration Statement and any person or persons who control the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act and the Selling Securityholder. No purchaser of Securities from any Underwriter shall be deemed a successor because of such purchase.

15. Applicable Law. The validity and interpretation of this Agreement, and the terms and conditions set forth herein, shall be governed by and construed in accordance with the laws of the State of New York, without giving effect to any provisions relating to conflicts of laws.

16. Consent to Jurisdiction and Service of Process. All judicial proceedings arising out of or relating to this Agreement may be brought in any state or federal court of competent jurisdiction in the State of New York, and by execution and delivery

of this Agreement, each of the Company and the Selling Securityholder accepts for itself and in connection with its properties, generally and unconditionally, the nonexclusive jurisdiction of the aforesaid courts and waives any defense of forum non conveniens and irrevocably agrees to be bound by any judgment rendered thereby in connection with this Agreement. Each of the Company and the Selling Securityholder designates and appoints _____, and such other persons as may hereafter be selected by the Company or the Selling Securityholder irrevocably agreeing in writing to so serve, as its agent to receive on its behalf service of all process in any such proceedings in any such court, such service being hereby acknowledged by the Company and the Selling Securityholder to be effective and binding service in every respect. A copy of any such process so served shall be mailed by registered mail to the Company and the Selling Securityholder at its address provided in Section 13 hereof; provided, however, that, unless otherwise provided by applicable law, any failure to mail such copy shall not affect the validity of service of such process. If any agent appointed by the Company or the Selling Securityholder refuses to accept service, each of the Company and the Selling Securityholder hereby agrees that service of process sufficient for personal jurisdiction in any action against the Company or the Selling Securityholder in the State of New York may be made by registered or certified mail, return receipt requested, to the Company or the Selling Securityholder at its address provided in Section 13 hereof, and the Company and the Selling Securityholder hereby acknowledges that such service shall be effective and binding in every respect. Nothing herein shall affect the right to serve process in any other manner permitted by law or shall limit the right of any Underwriter to bring proceedings against the Company or the Selling Securityholder in the courts of any other jurisdiction.

17. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

If the foregoing correctly sets forth our understanding, please indicate your acceptance thereof in the space provided below for that purpose, whereupon this letter shall constitute an agreement binding the Company and each of the several Underwriters.

Very truly yours,

OMEGA PROTEIN CORPORATION

By

[Title]

ZAPATA CORPORATION

By

[Title]

The foregoing Agreement is hereby
confirmed and accepted as of the
date first above written.

PRUDENTIAL SECURITIES INCORPORATED
DEUTSCHE MORGAN GRENFELL INC.

By PRUDENTIAL SECURITIES INCORPORATED

By

Jean-Claude Canfin
Managing Director

For itself and on behalf of the Representatives.

SCHEDULE 1

UNDERWRITERS

Underwriter	Number of Firm Securities to be Purchased
Prudential Securities Incorporated . . .	
Deutsche Morgan Grenfell Inc.	
Total	6,000,000

EXHIBIT 10.1

SEPARATION AGREEMENT

This SEPARATION AGREEMENT ("Separation Agreement") is entered into as of April __, 1998, by and between ZAPATA CORPORATION, a Delaware corporation ("Zapata") and OMEGA PROTEIN CORPORATION, a Nevada corporation ("Protein").

R E C I T A L S:

A. Zapata, a public company whose common shares are traded on the New York Stock Exchange, owns 19,676,000 shares of Protein's common stock, par value $.01 per share (the "Common Stock") , constituting all of the issued and outstanding Common Stock.

B. Zapata's Board of Directors (the "Zapata Board") has determined, subject to its further consideration and the satisfaction of certain conditions, to reduce its ownership of Protein to approximately 66.2% of the outstanding Common Stock (prior to the exercise of the over-allotment options referred to below) by means of an initial public offering by Protein of 4,000,000 shares of Common Stock and the sale by Zapata of 4,000,000 shares of Common Stock (the "IPO") (together with an additional 1,200,000 shares of Common Stock which shall be subject to over-allotment options granted on an equal basis by Protein and Zapata, respectively, to the IPO underwriters) as described in the registration statement on Form S-1 (Registration No. 333-44967) filed by Protein with the Securities and Exchange Commission (the "SEC") on or about January 27, 1998 (as amended from time to time, including information deemed to be a part of such registration statement at the time it becomes effective pursuant to SEC Rule 430A, the "Registration Statement").

C. The parties hereto have determined that it is necessary and desirable to set forth certain agreements and undertakings between Zapata and Protein that will govern certain matters following the IPO.

ARTICLE 1
DEFINITIONS

1.1 GENERAL. As used in this Separation Agreement, the following terms shall have the following meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"Affiliate" means a Protein Affiliate or a Zapata Affiliate, as the case may be.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions located in the State of Texas are authorized or obligated by law or executive order to close.

"Closing Date" means the date on which the 8,000,000 shares of Common Stock offered in the IPO are paid for by and delivered to the IPO underwriters.

"Code" means the Internal Revenue Code of 1986, as amended.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

"Foreign Citizen" means any Person other than: (i) any individual who is a citizen of the U.S. by birth, naturalization, or as otherwise authorized by law; and (ii) any corporation, partnership, association, limited liability company, joint venture (if not an association, corporation, partnership or limited liability company) or other business organization which is a citizen of the United States as determined by Protein's Board of Directors consistent with the definition of U.S. Citizen used for purpose of determining the Company's eligibilty for documentation for a fishery endorsement under the Shipping Act, 1916, as amended, or any successor statute and the rules and regulations pertaining thereto as interpreted by the Maritime Administration, the Cost Guard or any other agencies of the United States government charged with the administration of the Shipping Act, 1916, as amended, or any court of law. The foregoing definition is applicable at all tiers of ownership and in both form and substance at each tier of ownership.

"Group" means the Zapata Group or the Protein Group.

"Indemnifiable Losses" means all losses, liabilities, damages, claims, demands, judgments or settlements of any nature or kind, known or unknown, fixed, accrued, absolute or contingent, liquidated or unliquidated, including, without limitation, all reasonable costs and expenses (including, without limitation, attorneys' fees, and defense and accounting costs) as such costs are incurred relating thereto, incurred or suffered by an Indemnitee.

"Indemnifying Party" means a Person who or which is obligated under this Separation Agreement to provide indemnification.

"Indemnitee" means a Person who or which is entitled to indemnification under this Separation Agreement.

"Indemnity Payment" means an amount that an Indemnifying Party is required to pay to an Indemnitee pursuant to Article 3.

"Insurance Proceeds" means those monies received by an insured from an insurance carrier or paid by an insurance carrier on behalf of the insured, in either case, to the extent mutually agreed upon by Protein and Zapata acting reasonably, net of any applicable premium adjustment.

"Offering Documents" means collectively: (a) the Registration Statement, including the Prospectus contained therein, (b) any Prospectus subject to completion or any Prospectus filed with the SEC under Rule 424 under the Securities Act or any Term Sheet first filed pursuant to Rule 424(b)(7) under the Securities Act together with the preliminary Prospectus identified therein which such Term Sheet supplements, used, in each case, in connection with the offering of the Common Stock under the Registration Statement, (c) any other filing made with the SEC by a member of the Protein Group in connection with the IPO or (d) any amendment or supplement to any of the documents described in clauses (a) through (c) of this definition.

"Person" means an individual, a partnership, a joint venture, a corporation, a limited liability company, a trust, an unincorporated organization or a government or any department or agency thereof.

"Protein Affiliate" means a Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by Protein, provided, however, that for purposes of this Separation Agreement none of the following Persons shall be considered Protein Affiliates: (i) Zapata or any Subsidiary of Zapata and (ii) any corporation less than fifty-one percent (51%) of whose voting stock is directly or indirectly owned by Protein and (iii) any partnership or joint venture less than fifty-one percent (51%) of whose interests in profits and losses is directly or indirectly owned by Protein.

"Protein Group" means, collectively, Protein and the Protein Affiliates, or any one or more of such companies.

"Registration Rights Agreement" means the Registration Rights Agreement in the form of Exhibit A annexed hereto to be entered into by Zapata and Protein.

"Representative" means with respect to any Person, any of such Person's directors, officers, employees, agents, consultants, advisors, accountants and attorneys.

"Securities Act" means the Securities Act of 1933, as amended, together with the rules and regulations promulgated thereunder.

"Services Agreement" means the Administrative Services Agreement in the form of Exhibit B annexed hereto to be entered into by Zapata and Protein.

"Sublease Agreement") means the Sublease Agreement in the form of Exhibit C annexed hereto to be entered into by Zapata and Protein.

"Subsidiary" means, with respect to any specified Person, any corporation or other legal entity of which such Person or any of its subsidiaries Controls or owns, directly or indirectly, more than fifty percent (50%) of the stock or other equity interest entitled to vote on the election of members to the board of directors or similar governing body; provided,

however, that for purposes of this Separation Agreement, neither Protein nor any Subsidiary of Protein shall be deemed to be a Subsidiary of Zapata or of any Subsidiary of Zapata.

"Tax" means as defined in the Tax Indemnification Agreement.

"Tax Indemnity Agreement" means the Tax Indemnification Agreement in the form of Exhibit C annexed hereto to be entered into by Zapata and Protein.

"Third-Party Claim" means any claim, suit, arbitration, inquiry, proceeding or investigation by or before any court, any governmental or other regulatory or administrative agency or commission or any arbitration tribunal asserted by a Person who is not a member of the Zapata Group or the Protein Group.

"Underwriting Agreement" means the Underwriting Agreement to be entered into on the Closing Date by Protein and Zapata with Prudential Securities Incorporated and Deutsche Morgan Grenfell Inc., as representatives of the several underwriters therein, pursuant to which Protein and Zapata shall sell on an equal basis to such underwriters up to 8,600,000 shares.

"Zapata Affiliate" means a Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by Zapata; provided, however, that for purposes of this Separation Agreement none of the following Persons shall be considered Zapata Affiliates: (i) Protein and any Subsidiary of Protein, (ii) any corporation less than fifty-one percent (51%) of whose voting stock is directly or indirectly owned by Zapata and (iii) any partnership or joint venture less than fifty-one percent (51%) of whose interests in profits and losses is directly or indirectly owned by Zapata.

"Zapata Group" means, collectively, Zapata and the Zapata Affiliates, or any one or more of such companies.

ARTICLE 2
CERTAIN TRANSACTIONS IN CONNECTION WITH THE IPO

2.1 EXECUTION AND DELIVERY OF CERTAIN AGREEMENTS. Contemporaneously with the closing of the IPO, Protein and Zapata shall execute and deliver to one another the Tax Indemnification Agreement, the Registration Rights Agreement, the Services Agreement and the Sublease Agreement (collectively, the "Other Agreements").

2.2 PAYMENT OF INTERCOMPANY INDEBTEDNESS. Promptly following the Closing Date, Protein shall repay to Zapata $33,300,000 of the principal amount of the indebtedness owed by Protein to Zapata.

2.3 IPO EXPENSES. Protein and Zapata shall be responsible for and shall pay on a pro rata basis according to the number of shares of Common Stock issued or sold by them, respectively, in the IPO the direct expenses incurred by Protein to effect the IPO (including

the fees of counsel and accountants), all of the fees and reimbursable expenses of the underwriters relating to the IPO (except for the underwriters' discount and commissions and selling concessions with respect to Common Stock sold to the IPO underwriters - the "Selling Expenses"), as well as all of the costs of producing, printing, mailing and otherwise distributing the Prospectus. Zapata shall be responsible for all of its Selling Expenses as well as all of the fees and disbursements of counsel it has retained to represent it in connection with the IPO.
Protein shall be responsible for all of its Selling Expenses.

ARTICLE 3
SURVIVAL, ASSUMPTION AND INDEMNIFICATION

3.1 ASSUMPTION AND INDEMNIFICATION.

(a) Subject to Section 3.1(c), from and after the Closing Date, Zapata shall indemnify, defend and hold harmless each member of the Protein Group, each of their Representatives and each of the heirs, executors, successors and assigns of any of the foregoing from and against all Indemnifiable Losses of any such member or Representative relating to, arising out of or due to any untrue statement or alleged untrue statement of a material fact contained in any Offering Document or the omission or alleged omission to state in any of the Offering Documents a material fact required to be stated therein or necessary to make the statements therein not misleading, but only insofar as any such statement or omission was made with respect to (A) a matter of historical fact relating to a member of the Zapata Group or (B) the present or future intentions of Zapata or any member of the Zapata Group, in reliance upon and in conformity with information furnished by Zapata in writing specifically for use in connection with the preparation of the Offering Documents and designated in such writing as having been so furnished.

(b) Subject to Section 3.1(c), from and after the Closing Date, Protein shall indemnify, defend and hold harmless each member of the Zapata Group, each of their Representatives and each of the heirs, executors, successors and assigns of any of the foregoing from and against all Indemnifiable Losses of any such member or Representative relating to, arising out of or due to any untrue statement or alleged untrue statement of a material fact contained in any Offering Document or the omission or alleged omission to state in any of the Offering Documents a material fact required to be stated therein or necessary to make the statements therein not misleading; provided that Protein will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made with respect to (i) a matter of historical fact relating to a member of the Zapata Group or (ii) the present or future intentions of Zapata or any member of the Zapata Group, in reliance upon and in conformity with information furnished by Zapata in writing specifically for use in connection with the preparation of the Offering Documents and designated in such writing as having been so furnished.

(c) If an Indemnitee realizes a Tax benefit or detriment by reason of having incurred an Indemnifiable Loss for which such Indemnitee receives an Indemnity Payment

from an Indemnifying Party or by reason of receiving an Indemnity Payment, then such Indemnitee shall pay to such Indemnifying Party an amount equal to the Tax benefit, or such Indemnifying Party shall pay to such Indemnitee an additional amount equal to the Tax detriment (taking into account any Tax detriment resulting from the receipt of such additional amounts), as the case may be. If, in the opinion of counsel to an Indemnifying Party reasonably satisfactory in form and substance to the affected Indemnitee, there is a substantial likelihood that the Indemnitee will be entitled to a Tax benefit by reason of an Indemnifiable Loss, the Indemnifying Party promptly shall notify the Indemnitee and the Indemnitee promptly shall take any steps (including the filing of such returns, amended returns or claims for refunds consistent with the claiming of such Tax benefit) that, in the reasonable judgment of the Indemnifying Party, are necessary and appropriate to obtain any such Tax benefit. If, in the opinion of counsel to an Indemnitee reasonably satisfactory in form and substance to the affected Indemnifying Party, there is a substantial likelihood that the Indemnitee will be subjected to a Tax detriment by reason of an Indemnification Payment, the Indemnitee promptly shall notify the Indemnifying Party and the Indemnitee promptly shall take any steps (including the filing of such returns or amended returns or the payment of Tax underpayments consistent with the settlement of any liability for Taxes arising from such Tax detriment) that, in the reasonable judgment of the Indemnitee, are necessary and appropriate to settle any liabilities for Taxes arising from such Tax detriment. If, following a payment by an Indemnitee or an Indemnifying Party pursuant to this Section 3.1(c) in respect of a Tax benefit or detriment, there is an adjustment to the amount of such Tax benefit or detriment, then each of Zapata and Protein shall make appropriate payments to the other, including the payment of interest thereon at the federal statutory rate then in effect, to reflect such adjustment. This Section 3.1(c) shall govern the matters discussed in this Section and shall control over any conflicting language in the Tax Indemnification Agreement.

(d) The amount which an Indemnifying Party is required to pay to any Indemnitee pursuant to this Section 3.1 shall be reduced (including retroactively) by any Insurance Proceeds and other amounts actually recovered by such Indemnitee in reduction of the related Indemnifiable Loss. Zapata and Protein shall use their respective best efforts to collect any Insurance Proceeds or other amounts to which they or any of their Subsidiaries are entitled, without regard to whether they are the Indemnifying Party hereunder. If an Indemnitee receives an Indemnity Payment in respect of an Indemnifiable Loss and subsequently receives Insurance Proceeds or other amounts in respect of such Indemnifiable Loss, then such Indemnitee shall pay to such Indemnifying Party an amount equal to the difference between (i) the sum of the amount of such Indemnity Payment and the amount of such Insurance Proceeds or other amounts actually received and (ii) the amount of such Indemnifiable Loss, adjusted (at such time as appropriate adjustment can be determined) in each case to reflect any premium adjustment attributable to such claim.

3.2 PROCEDURE FOR INDEMNIFICATION.

(a) If any Indemnitee receives notice of the assertion of any Third-Party Claim with respect to which an Indemnifying Party is obligated under this Separation Agreement to provide indemnification, such Indemnitee shall give such Indemnifying Party

notice thereof promptly after becoming aware of such Third-Party Claim; provided, however, that the failure of any Indemnitee to give notice as provided in this Section 3.2 shall not relieve any Indemnifying Party of its obligations under this Article 3, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice. Such notice shall describe such Third-Party Claim in reasonable detail.

(b) An Indemnifying Party, at such Indemnifying Party's own expense and through counsel chosen by such Indemnifying Party (which counsel shall be reasonably satisfactory to the Indemnitee), may elect to defend any Third-Party Claim. If an Indemnifying Party elects to defend a Third-Party Claim, then, within ten (10) Business Days after receiving notice of such Third-Party Claim (or sooner, if the nature of such Third-Party Claim so requires), such Indemnifying Party shall notify the Indemnitee of its intent to do so, and such Indemnitee shall cooperate in the defense of such Third-Party Claim. After notice from an Indemnifying Party to an Indemnitee of its election to assume the defense of a Third-Party Claim, such Indemnifying Party shall not be liable to such Indemnitee under this Article 3 for any legal or other expenses subsequently incurred by such Indemnitee in connection with the defense thereof; provided, however, that such Indemnitee shall have the right to employ one law firm as counsel to represent such Indemnitee (which firm shall be reasonably acceptable to the Indemnifying Party) if, in such Indemnitee's reasonable judgment, either a conflict of interest between such Indemnitee and such Indemnifying Party exists in respect of such claim or there may be defenses available to such Indemnitee which are different from or in addition to those available to such Indemnifying Party, and in that event (i) the reasonable fees and expenses of such separate counsel shall be paid by such Indemnifying Party (it being understood, however, that the Indemnifying Party shall not be liable for the expenses of more than one separate counsel (in addition to local counsel) with respect to any Third-Party Claim (even if against multiple Indemnitees)) and (ii) each of such Indemnifying Party and such Indemnitee shall have the right to conduct its own defense in respect of such claim. If an Indemnifying Party elects not to defend against a Third-Party Claim, or fails to notify an Indemnitee of its election as provided in this Section 3.2 within the period of ten (10) Business Days described above, such Indemnitee may defend, compromise and settle such Third-Party Claim; provided, however, that no such Indemnitee may compromise or settle any such Third-Party Claim without the prior written consent of the Indemnifying Party, which consent shall not be withheld unreasonably. Notwithstanding the foregoing, the Indemnifying Party shall not, without the prior written consent of the Indemnitee, (i) settle or compromise any Third-Party Claim or consent to the entry of any judgment which does not include as an unconditional term thereof the delivery by the claimant or plaintiff to the Indemnitee of a written release from all liability, damage or claims of any nature or kind in respect of such Third-Party Claim or (ii) settle or compromise any Third-Party Claim in any manner that may adversely affect the Indemnitee.

3.3 REMEDIES CUMULATIVE. The remedies provided in this Article 3 shall be cumulative and shall not preclude assertion by any Indemnitee of any other rights or the seeking of any other remedies against any Indemnifying Party.

3.4 EFFECT ON UNDERWRITING AGREEMENT. Notwithstanding anything to the contrary that may be contained in the Underwriting Agreement or this Separation Agreement: (i) the provisions of Section 3.1(a) and (b) shall govern and control the indemnification, defense and hold harmless arrangements, and any claims or losses arising hereunder, between the Zapata Group on the one hand and the Protein Group on the other with respect to Indemnifiable Losses covered thereby; and (ii) the provisions of such Underwriting Agreement shall govern and control the indemnification, defense and hold harmless arrangements, and any claims or losses arising thereunder, between the Protein Group and the Zapata Group on the one hand and the IPO underwriters on the other.

ARTICLE 4
ACCESS TO INFORMATION

4.1 PROVISION OF CORPORATE RECORDS. Prior to or as promptly as practicable after the Closing Date, Zapata shall use reasonable efforts to accommodate Protein with respect to the delivery to Protein of all corporate books and records of the Protein Group, including in each case copies of all active agreements, active litigation files and government filings. From and after the Closing Date, all books, records and copies so delivered shall be the property of Protein.

4.2 ACCESS TO INFORMATION. From and after the Closing Date, each of Zapata and Protein shall afford to the other, and shall cause the members of their respective Groups to so afford, reasonable access and duplicating rights during normal business hours to all information within such party's possession relating to such other party's businesses, assets or liabilities, insofar as such access is reasonably required by such other party. Without limiting the foregoing, information may be requested under this Section 4.2 for audit, accounting, claims, litigation and Tax purposes, as well as for purposes of fulfilling disclosure and reporting obligations, as Protein may reasonably request and which are directly related to the Protein Business.

ARTICLE 5
COVENANT NOT-TO-COMPETE

Zapata hereby covenants and agrees that, for a period of five years from the Closing Date, it will not engage in or invest in any business that harvests and/or processes fish into fish meal, fish oil or fish solubles or sells such products anywhere in the United States. Zapata acknowledges that any breach or threatened breach of any of the provisions of this Article 5 cannot be remedied solely by recovery of damages and that Protein shall be entitled to obtain an injunction against such breach or threatened breach. Nothing herein, however, shall be construed as prohibiting Protein from pursuing, in connection with an injunction or otherwise, any other remedies available at law or in equity for any such breach or threatened breach, including the recovery of money damages. If any provision of this Article 5 is found to be unreasonably broad, it shall nevertheless be enforceable to the extent reasonably necessary for Protein to carry out to the fullest extent the parties' mutual intent in entering into this

Agreement on this date, which intent is that the provisions of this Article will be strictly enforced as agreed to.

ARTICLE 6
RESTRICTIONS ON TRANSFER OF COMMON STOCK

6.1 RESTRICTIONS ON TRANSFER. Zapata shall not assign, encumber, pledge, sell, transfer or otherwise dispose of any shares of Common Stock retained by it after the IPO (and any exercise of an over-allotment option by the IPO underwriters) (or any other securities held by Zapata at any time that are exercisable, convertible or exchangeable for Common Stock) now or hereafter owned by it (i) to any Foreign Person or (ii) in any transaction (other than another member of the Zapata Group who agrees to be bound by these restrictions) unless it first provides Protein with 30 days advance written notice thereof (so as to allow Protein sufficient time to put in place procedures to monitor the number of outstanding shares owned by Foreign Persons and impose any appropriate transfer restrictions).

6.2 STOCK CERTIFICATE LEGEND. In order to effectuate the restrictions contained in this Article 6, all certificates and instruments evidencing any Common Stock (or other securities that are exercisable, convertible or exchangeable for Common Stock) held by Zapata will be endorsed as follows:

> The assignment, encumbrance, pledge, sale, transfer or other disposition of the securities evidenced hereby is limited and restricted by the terms of a Separation Agreement between the registered owner hereof and the Corporation, dated April __, 1998.

ARTICLE 7
MISCELLANEOUS

7.1 TERMINATION. Notwithstanding any other provision hereof, this Separation Agreement may be terminated if the IPO is abandoned, which decision can be made at any time by and in the sole discretion of the Zapata Board of Directors without the approval of Protein.

7.2 COMPLETE AGREEMENT. This Separation Agreement and the Exhibits hereto and the agreements (including the Other Agreements) and other documents referred to herein and therein shall constitute the entire agreement between the parties hereto with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

7.3 AUTHORITY. Each of the parties hereto represents to the other that (i) it has the power and authority to execute, deliver and perform this Separation Agreement and the Other

Agreements, (ii) the execution, delivery and performance of this Separation Agreement and the Other Agreements by it has been duly authorized by all necessary corporate action, (iii) it has duly and validly executed the Separation Agreement, (iv) this Separation Agreement and the Other Agreements, when executed, will be the valid and binding obligation of such party, enforceable against it in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and general equity principles.

7.4 GOVERNING LAW. This Separation Agreement shall be governed by and construed in accordance with the laws of the State of Nevada (other than the laws regarding choice of laws and conflicts of laws) as to all matters, including matters of validity, construction, effect, performance and remedies.

7.5 NOTICES. All notices, requests, claims, demands and other communications hereunder (collectively, "Notices") shall be in writing and shall be given (and shall be deemed to have been duly given upon receipt) by delivery in person, by cable, telegram, telex, telecopy or other standard form of telecommunications, or by registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Zapata: Zapata Corporation
1717 St. James Place, Suite 550
Houston, Texas 77210
Attention: Avram Glazer, Chief Executive Officer

If to Protein: Omega Protein, Inc.
1717 St. James Place, Suite 550
Houston, Texas 77210
Attention: Joseph L. von Rosenberg III, Chief Executive Officer and President

or to such other address as any party hereto may have furnished to the other parties by a notice in writing in accordance with this Section 7.5.

7.6 AMENDMENT AND MODIFICATION. This Separation Agreement may be amended or modified in any material respect only by a written agreement signed by both of the parties hereto.

7.7 SUCCESSORS AND ASSIGNS; NO THIRD-PARTY BENEFICIARIES. This Separation Agreement and all of the provisions hereof shall be binding upon and inure to the benefit of the parties hereto, their successors and permitted assigns, and the members of their respective Groups, but neither this Separation Agreement nor any of the rights, interests and obligations hereunder shall be assigned by either party hereto without the prior written consent of the other party (which consent shall not be unreasonably withheld). Except for the provisions of Sections 3.2 and 3.3 relating to Indemnities, which are also for the benefit of the other Indemnitees, this Separation Agreement is solely for the benefit of the parties hereto and their

Subsidiaries and Affiliates and is not intended to confer upon any other Persons any rights or remedies hereunder.

7.8 COUNTERPARTS. This Separation Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

7.9 NO WAIVER. No failure by either party to take any action or assert any right hereunder shall be deemed to be a waiver of such right in the event of the continuation or repetition of the circumstances giving rise to such right, unless expressly waived in writing by the party against whom the existence of such waiver is asserted.

7.10 HEADINGS. The Article and Section headings contained in this Separation Agreement are solely for the purpose of reference, are not part of the agreement of the parties hereto and shall not in any way affect the meaning or interpretation of this Separation Agreement.

7.11 ENFORCEABILITY. Any provision of this Separation Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. Any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction. Each party acknowledges that money damages would be an inadequate remedy for any breach of the provisions of this Separation Agreement and agrees that the obligations of the parties hereunder shall be specifically enforceable.

7.12 SURVIVAL OF AGREEMENTS. All covenants and agreements of the parties hereto contained in this Separation Agreement shall survive the Closing Date.

ZAPATA CORPORATION

By:

Name: Avram Glazer
Title: Chief Executive Officer

OMEGA PROTEIN, INC.

By:

Name: Joseph L. von Rosenberg III
Title: Chief Executive Officer and President

EXHIBIT 10.2

ADMINISTRATIVE SERVICES AGREEMENT

This ADMINISTRATIVE SERVICES AGREEMENT ("Agreement") is entered into as of April__, 1998 by and between ZAPATA CORPORATION, a Delaware corporation ("Zapata"), and OMEGA PROTEIN CORPORATION, a Nevada corporation ("Protein").

R E C I T A L S:

A. Prior to execution of this Agreement, Protein was a wholly-owned subsidiary of Zapata.

B. Protein has completed on this date the issuance of new shares in an initial public offering (the "IPO") and Zapata has sold in such IPO a portion of the shares of Protein that it owned reducing Zapata's ownership of Protein's outstanding common stock to approximately 66.2% of Protein's outstanding common stock (or 62.1% of Protein's outstanding common stock if the underwriters exercise their over-allotment options).

C. During the last three years, Zapata relied on Protein for the provision of certain administrative services.

D. Zapata and Protein have agreed that, following the IPO, Protein will continue to provide services to Zapata pursuant to the terms of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements contained herein, the parties hereby agree as follows:

1. SERVICES. Protein will provide the services described on Exhibit A to Zapata and may, in its sole discretion, provide such other services as Zapata may request from time to time (all such services referred to herein as the "Services"). The Services shall include those rendered to majority-owned subsidiaries of Zapata (other than Protein), whether now existing or hereafter becoming subsidiaries. Zapata may, upon reasonable notice to Protein, from time to time, delete from the Services, prospectively, any category listed on Exhibit A or thereafter added, or any reasonably determined subcategory thereof.

2. FEES AND EXPENSES.

(a) Zapata will pay Protein fees ("Fees") for the Services provided by Protein to Zapata hereunder equal to Protein's cost of providing such Services, as reasonably determined by Protein. Such Fees will include an allocation of Protein's general and administrative overhead expense relating to such Services. Protein may, but shall not be

obligated to, determine such cost using the same methods employed by Protein to allocate costs to Zapata for such Services prior to the IPO.

(b) Zapata will reimburse Protein for any reasonable and necessary out-of-pocket expenses incurred in connection with the provision of the Services, including any taxes or other governmental impositions attributable to the provision of the Services (other than income or other similar taxes assessed on the Fees). Protein will not have any obligation to advance funds on behalf of Zapata.

(c) Protein will invoice Zapata for the Fees and expenses due hereunder at the intervals determined by Protein from time to time. All invoices will be due and payable within five (5) calendar days after the date of the invoice.

3. INFORMATION AND RECORDS.

(a) Zapata will make available to Protein on a timely basis all information which is reasonably necessary for Protein to provide the Services.

(b) Protein will maintain records with respect to the Services which are substantially similar to those maintained with respect to similar Services provided for its own account, and will provide those records to Zapata upon termination of this Agreement.

4. LIABILITY.

(a) Protein makes no express or implied warranty with respect to the Services.

(b) Protein will be liable to Zapata for any Loss (hereinafter defined) suffered by Zapata during the term of this Agreement as a result of acts or omissions of Protein or any stockholder, director, officer or employee of Protein or any attorney, accountant, representative or agent retained by Protein ("Associates") in connection with the Services provided only if and to the extent that (i) the acts or omissions constitute gross negligence or willful misconduct or willful disregard of instructions or directions provided by Zapata as contemplated in Section 6, (ii) the acts or omissions would be covered by Protein's insurance coverage under crime, fidelity or fiduciary insurance (if any). In any event, except to the extent covered by Protein's crime, fidelity or fiduciary insurance, (i) any claim for damages from Protein in connection with a Service provided will be limited to the amount of Fees charged with respect to the Service, and (iii) Protein will not be liable to Zapata for any incidental or consequential damages, lost profits or opportunities, or exemplary or punitive damages.

As used herein, "Loss" means any and all claims, liabilities, obligations, losses, deficiencies and damages or judgments of any kind or nature whatsoever incurred by the person seeking recovery of such Loss and arising from, asserted against, or associated with the furnishing or failure to furnish the Services, regardless of by whom asserted and regardless

of whether or not any such loss is known or unknown, fixed or contingent or asserted or unasserted incurred by Protein in connection with the provision of the Services.

5. INDEMNITY. Except as provided in Section 4(b), Zapata will indemnify Protein and its Associates and hold Protein and its Associates harmless from any and all Losses arising from, asserted against or associated with the provision of Services by Protein to Zapata.

6. AUTHORITY. In providing the Services, Protein may take such actions, make such decisions and exercise such judgement on behalf of Zapata as Protein may deem appropriate and necessary unless Zapata gives Protein prior written notice that it should consult with particular officers or employees of Zapata prior to taking such actions, making such decisions or exercising such judgement. In matters as to which Zapata provides instructions or directions as to matters requiring decision or the exercise of judgment, Protein shall follow such instructions or directions.

7. FORCE MAJEURE. Protein will not be liable to Zapata for any failure to comply with this Agreement caused, directly or indirectly, by (a) a fire, flood, explosion, riot, rebellion, revolution, labor trouble (whether or not due to the fault of such Party), requirements or acts of any government authority or agency or subdivision thereof, loss of source of supplies or other inability to obtain materials or suppliers, or (b) any other cause, whether similar or dissimilar to the foregoing, beyond the reasonable control of the parties hereto.

8. TERM. This Agreement, and Protein's obligation to provide Services hereunder, shall continue until Zapata gives Protein five (5) days advance written notice or upon written notice from Protein to Zapata if Zapata materially breaches this Agreement and fails to cure such breach within thirty (30) days after receiving written notice thereof from Protein. Any outstanding Fees and expenses as well as Zapata's obligation to indemnify Protein shall survive the termination of this Agreement indefinitely.

9. NOTICES. All notices, demands, requests, or other communications which may be or are required to be given, served, or sent by a party pursuant to this Agreement will be in writing and will be (a) personally delivered, (b) mailed by first class, registered or certified mail, return receipt requested, postage prepaid, (c) sent by an internationally recognized express delivery service or (c) transmitted by facsimile, address as follows:

(i) if to Protein:

Omega Protein Corporation
1717 St. James Place, Suite 550
Houston, Texas 77210
Attention: Joseph L. von Rosenberg III,
Chief Executive Officer and President

(ii) if to Zapata:

Zapata Corporation
1717 St. James Place, Suite 550
Houston, Texas 77210
Attention: Avram Glazer, Chief Executive Officer

with a copy to:

Mr. Avram Glazer
18 Stoney Clover Lane
Pittsford, New York 14534

Each party may designate by notice in writing a new address or facsimile number to which any notice may be given, served or sent. Each notice will be deemed sufficiently given, served, sent or received when it is delivered to the addressee, with an affidavit of personal delivery, the return receipt, the delivery receipt or when delivery is refused by the addressee. Each notice or other communication sent by facsimile will be deemed sufficiently given only if a copy of the notice or communication is immediately sent by one of the methods specified in (a), (b) or (c) above.

10. MISCELLANEOUS.

(a) This Agreement sets forth the entire agreement of the parties with respect to the Services and supersedes all previous agreements, understandings or negotiations with respect to the Services.

(b) The rights and obligations set forth in this Agreement may be amended, modified or supplemented only by a writing signed by each party.

(c) A party may waive a right under this Agreement only by a written waiver signed by the party. No failure to exercise or delay in exercising a right under this Agreement will constitute a waiver of that right.

(d) If any provision of this Agreement is found invalid, illegal or unenforceable, the provision will be ineffective only to the extent of the invalidity, illegality or unenforceability, and the other provisions of this Agreement will remain in full force and effect.

(e) A party may not assign its rights, and a Party may not delegate its obligations, under this Agreement unless it first obtains the written consent of the other party, which may be withheld at the other party's discretion, provided, however, that Protein may assign its rights to any wholly-owned subsidiary of Protein without Zapata's consent, provided that no such assignment to a subsidiary shall relieve Protein of its obligations hereunder.

(f) Except as permitted under Subsection (e), this Agreement will not inure to the benefit of any Person other than the Parties.

(g) This Agreement will be governed by and construed and enforced in accordance with the internal laws of the State of Delaware.

(h) This Agreement may be executed in counterparts.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on their behalf as of the date first above written.

ZAPATA CORPORATION

By: _____
Name: Avram Glazer
Title: Chief Executive Officer

OMEGA PROTEIN CORPORATION

By: _____
Name: Joseph L. von Rosenberg III
Title: Chief Executive Officer and President

EXHIBIT A

DESCRIPTION OF SERVICES

A. Accounting:

1. Maintain a general ledger.

2. Furnish general bank account checks and reconcile general bank account.

3. Process vendor invoices and employee expense reports approved by Zapata for payment.

4. Input accounts receivable in accordance with instructions from Zapata personnel; post cash receipts; provide A/R aging as requested (not more often than once per week).

5. Maintain fixed asset records (acquisition-disposal-depreciation schedules).

6. Provide project profit and cost accounting statements.

7. Provide quarterly financial information for use by Zapata personnel in preparing quarterly financial statements; bonus calculations; trial balance; and financial statements.

B. Securities and Investor Relations Matters

1. Prepare documents required to be filed by Zapata under the Securities Exchange Act of 1934 and the New York Stock Exchange.

2. Public relations, including coordinating analyst calls and preparing and distributing press releases.

C. Payroll:

1. Maintain employee data base and input payroll information.

2. Distribute payroll checks.

D. Tax:

1. Prepare and file all state and federal income and sale/use tax returns with a due date during the term of this Agreement.

7

E. Benefits:

1. Administer Profit Sharing Plan and Pension Plan.

2. Administer health and medical benefits plans

EXHIBIT 10.3

TAX INDEMNITY AGREEMENT

This TAX INDEMNITY AGREEMENT (the "Agreement"), dated as of this ___ day of April, 1998, by and between ZAPATA CORPORATION ("Zapata"), a Delaware corporation, and OMEGA PROTEIN CORPORATION ("Protein"), a Nevada corporation.

R E C I T A L S:

A. Zapata, a public company whose common shares are traded on the New York Stock Exchange, owns 19,676,000 shares of Protein's common stock, par value $.01 per share (the "Common Stock"), constituting all of the issued and outstanding Common Stock;

B. On even date herewith Protein and Zapata have entered into an Underwriting Agreement with Prudential Incorporated and Deutsche Morgan Grenfell, Inc., as representatives of the several underwriters named therein, which contemplates that Protein and Zapata will conduct an initial public offering in which Protein will issue 4,000,000 shares of Common Stock and Zapata will sell 4,000,000 shares of Common Stock (the "IPO") (together with up to an additional 1,200,000 shares of Common Stock which shall be subject to over-allotment options granted on an equal basis by Protein and Zapata to the IPO underwriters) reducing Zapata's ownership of Protein to approximately 66.2% of the outstanding Common Stock (prior to the exercise of the over-allotment options referred to below), all as more particularly described in the registration statement on Form S-1 (Registration No. 333-44967) filed by Protein with the Securities and Exchange Commission (the "SEC") on or about January 27, 1998; and

C. In connection with the IPO, Zapata and Protein have entered into a Separation Agreement on even date herewith (the "Separation Agreement") which requires, among other things, Zapata and Protein to enter into this Agreement to address certain tax issues involving Zapata and Protein that will arise after the IPO after Zapata's ownership of Protein is less than 80% of Protein's issued and outstanding shares as a result of which neither Protein nor any Protein Post-Closing Affiliates (hereinafter defined)l will file Tax Returns (hereinafter defined) as a member of the Zapata Group (hereinafter defined); and

NOW, THEREFORE, in consideration of their mutual promises, Zapata and Protein agree as follows:

ARTICLE 1
DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended, or any successor thereto, as in effect for the taxable period in question.

"Consolidated Group" means the group of corporations that immediately prior to the Effective Date are members of the affiliated group of corporations (within the meaning of Section 1504 of the Code) of which Zapata is the common parent.

"Effective Date" means the date upon which Zapata ceases to own 80% of the issued and outstanding shares of Protein.

"Final Determination" shall mean the final resolution of liability for any Tax for a taxable period, including any related interest or penalties, (a) by Internal Revenue Service Form 870 or 870-AD (or any successor forms thereto), on the date of acceptance by or on behalf of the Internal Revenue Service ("IRS"), or by a comparable form under the laws of other jurisdictions; except that a Form 870 or 870-AD or comparable form that reserves (whether by its terms or by operation of law) the right of the taxpayer to file a claim for refund and/or the right of the Taxing Authority to assert a further deficiency shall not constitute a Final Determination; (b) by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable; (c) by a closing agreement or accepted offer in compromise under Section 7121 or 7122 of the Code, or comparable agreements under the laws of other jurisdictions; (d) by any allowance of a refund or credit in respect of an overpayment of Tax, but only after the expiration of all periods during which such refund may be recovered (including by way of offset) by the Tax imposing jurisdiction; or (e) by any other final disposition, including by reason of the expiration of the applicable statute of limitations.

"Protein Businesses" means the present and future subsidiaries, divisions and business of Protein and any member of the Protein Post-Closing Affiliates.

"Protein Post-Closing Affiliate" means any corporation, partnership or other entity directly or indirectly controlled by Protein after the Effective Date.

"Protein Pre-Closing Affiliate" means any corporation, partnership or other entity directly or indirectly controlled by Protein on or before the Effective Date.

"Representative" means with respect to any person or entity, any of such person's or entity's directors, officers, employees, agents, consultants, advisors, accountants, attorneys, and representatives.

"Tax" or "Taxes" means (a) all forms of taxation, whenever created or imposed, and whenever imposed by a national, municipal, governmental, state, federal or other body, whether domestic or foreign (a "Taxing Authority"), and without limiting the generality of the foregoing, shall include net income, alternative or add-on minimum tax, gross income, sales, use, ad valorem, gross receipts, value added, franchise, profits, license, transfer, recording, withholding, payroll, employment, excise, severance, stamp, occupation, premium, property, windfall profit, custom duty, or other tax, governmental fee or other like assessment or charge of any kind whatsoever, together with any related interest, penalties, or other additions to tax, or additional amounts imposed by any such Taxing Authority, (b) liability for the payment of any amounts of the type described in (a) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, including any liability arising pursuant to Treas. Reg. Section 1.1502-6, or as a result of being a party to any agreement or arrangement whereby liability for payment of such amounts was determined or taken into account with reference to the liability of another party and (c) liability for the payment of any amounts of the type described in (a) as a result of any express or implied obligation to indemnify any other person.

"Taxing Authority" is defined under the term "Taxes."

"Taxable Period" or "Taxable Periods" means the tax year for the "Consolidated Group" as defined in this Article 1.

"Tax Return" means any return, filing, questionnaire or other document required to be filed, including requests for extensions of time, filings made with estimated Tax payments, claims for refund and amended returns that may be filed, for any taxable period with any Taxing Authority in connection with any Tax (whether or not a payment is required to be made with respect to such filing).

"Zapata Affiliate" means any corporation, partnership or other entity directly or indirectly controlled by Zapata, other than Protein or any Protein Affiliate.

"Zapata Businesses" means the present and future subsidiaries, divisions and business of any member of the Zapata Group, other than the present and future subsidiaries, divisions and business of Protein or any Protein Post-Closing Affiliates.

"Zapata Group" means the group of corporations that immediately after the Effective Date are members of the affiliated group of corporations of which Zapata is the common parent (within the meaning of section 1504 of the Code).

ARTICLE 2
PREPARATION AND FILING OF TAX RETURNS

2.1 INCOME INCLUDED. All Tax Returns required to be filed by the Consolidated Group relating to Taxable Periods ending before or including the Effective Date and filed after the date of this Agreement shall include the income of Protein and Protein Pre-Closing Affiliates (as determined in this Section 2.1) attributable to such Taxable Periods (including, for Federal income Tax purposes, any deferred income triggered into income by Treas. Reg. Section 1.1502-13 and Treas. Reg. Section 1.1502-14 and any excess loss accounts taken into income under Treas. Reg. Section 1.1502-19) required to be reported in the Consolidated Group's consolidated Federal income Tax Returns (or under any similar rules applicable to any state, local or other Tax Returns filed on a consolidated basis). The income of Protein and Protein Pre-Closing Affiliates will be apportioned for the period October 1, 1997 up to and including the Effective date and the period after the Effective Date by closing the books of Protein and such Protein Pre-Closing Affiliates as of the end of the Effective Date. The income of Protein and any Protein Pre-Closing Affiliate shall not include any deferred income triggered into income by Treas. Reg. Section 1.1502-13 and Treas. Reg. 1.1502-14 and any excess loss accounts taken into income under Treas. Reg. Section 1.1502-19, attributable to any other member of the Consolidated Group.

2.2 TAX RETURNS FOR TAXABLE PERIODS ENDING BEFORE OR INCLUDING THE EFFECTIVE DATE. Except as otherwise provided in Section 2.4, Zapata shall timely prepare and file, or cause to be timely prepared and filed, all Tax Returns required to be filed by or on behalf of any member of the Consolidated Group relating to Taxable Periods ending before or including the Effective Date. Protein shall provide Zapata any Tax-related information reasonably requested by Zapata relating to any Taxable Periods ending on or before the Effective Date.

2.3 TAX RETURNS FOR TAXABLE PERIODS BEGINNING AFTER THE EFFECTIVE DATE. Protein shall prepare and file, or cause to be prepared and filed, all Tax Returns for Protein and any Protein Post-Closing Affiliate for taxable periods of Protein and any Protein Post-Closing Affiliate beginning after the Effective Date. Zapata shall prepare and file, or cause to be prepared and filed, all Tax Returns for the Zapata Group for Taxable Periods beginning after the Effective Date.

2.4 CARRY-OVER PERIOD RETURNS.

(a) Protein shall prepare and file on a timely basis any Tax Returns (but not including any Federal income Tax Return or Tax Returns under any similar rules applicable to any state or local, and filed on a consolidated basis) of Protein and any Protein Pre-Closing Affiliate for any Taxable Period beginning before and ending after the Effective Date (a "CarryOver Period").

(b) All other Tax Returns for a Carry-Over Period required to be filed by any member of the Consolidated Group other than Protein or any Protein Pre-Closing Affiliate shall be prepared and filed by Zapata.

ARTICLE 3
PAYMENT OF TAXES

3.1 LIABILITY FOR TAXES WITH RESPECT TO TAXABLE PERIODS ENDING BEFORE OR INCLUDING THE EFFECTIVE DATE. Except as otherwise provided in this Agreement, Zapata shall be responsible for paying and shall pay all Taxes relating to any Tax Return filed by the Consolidated Group or any member thereof with respect to any Taxable Period ending before and including the Effective Date, including without limitation, any additional Taxes as a result of any audit, amendment or other change in a Tax Return as filed by the Consolidated Group or any member thereof.

3.2 PREPARATION OF PROTEIN'S FINAL RETURNS; PAYMENT OF TAXES. On or before _____, 1998, Zapata shall cause to be prepared (in a manner consistent with practices followed in prior years) and delivered to Protein a separate United States federal income tax return for Protein and each Protein Pre-Closing Affiliate for the period beginning October 1, 1997 and ending on the Effective Date (the "Protein Final Returns"). The Protein Final Returns shall include all items of income, gain, loss, deductions and credit of Protein and the Protein Pre-Closing Affiliates realized during such period and determined and apportioned in accordance with Section 2.1. Zapata shall include in its consolidated federal income tax for its first taxable year ending after the Effective Date the items of income, gain, loss, deductions and credit shown on the Protein Final Returns and shall pay all Taxes due with respect thereto as provided in this Section 3.2 and Section 3.1.

3.3 SEPARATION PAYMENT WITH RESPECT TO FEDERAL INCOME TAXES. Zapata shall give Protein notice of the filing of Zapata's consolidated federal income tax returns for its first taxable year ending after the Effective Date ("Final Return Notice"). If the Protein Final Returns show a tax liability, Protein shall pay to Zapata the amount thereof within thirty (30) days after receipt by Protein of the Final Return Notice. Zapata shall not withdraw any earnings or assets of Protein or any Protein Pre-Closing Affiliates prior to the Effective Date. If the Protein Final Returns show a net operating loss or other tax benefit that is utilized by Zapata or any member of the Zapata Group and, therefore, is not allocated to the entity incurring such tax benefit pursuant to Treas. Reg. ss.1.1502-79, Zapata shall pay to Protein (or the appropriate entity) the amount of any tax savings to be realized thereby within thirty (30) days after receipt by Protein of the Protein Final Returns.

3.4 ALLOCATION OF EARNINGS AND PROFITS FOR TAXABLE PERIODS ENDING BEFORE OR INCLUDING THE EFFECTIVE DATE. All earnings and profits of the Consolidated Group for all Taxable Periods ending before or including the Effective Date shall be allocated pursuant to Section 1552 of the Code among the members of the Consolidated Group in accordance with

the ratio which that portion of the consolidated taxable income attributable to each member of the Consolidated Group having taxable income bears to the consolidated taxable income of the Consolidated Group in accordance with Section 1552(a)(1) of the Code and the Regulations thereunder.

3.5 UNUSED CARRY-FORWARD ATTRIBUTES. Zapata and Protein agree that, for purposes of all required returns and reports with respect to Taxes, the amount of unused tax credits under the Code attributable to Protein and each of the Protein Pre-Closing Affiliates that may be carried forward to Taxable Periods ending after the Effective Date shall, unless otherwise required by law or regulations, be determined in accordance with the principles of Treas. Reg. ss.1.1502-79(c). Any other carry-forward attributes shall similarly be determined in accordance with applicable regulations.

3.6 LIABILITY FOR TAXES WITH RESPECT TO POST-EFFECTIVE DATE TAXABLE PERIODS. The Zapata Group shall pay all Taxes of the Zapata Group and shall be entitled to receive and retain all refunds of Taxes of the Zapata Group with respect to Taxable Periods beginning after the Effective Date which are attributable to the Zapata Businesses. Protein shall pay all Taxes of Protein and any Protein Post-Closing Affiliate and shall be entitled to receive and retain all refunds of Taxes of Protein and any Protein Post-Closing Affiliate for all periods beginning after the Effective Date which are attributable to the Protein Businesses.

3.7 CARRY-OVER PERIOD PAYMENTS. Zapata shall be responsible for (and shall pay) any Taxes shown to be due on a Tax Return for a Carry-Over Period filed pursuant to Section 2.4(b) hereof by any member of the Consolidated Group other than Protein or a Protein Pre-Closing Affiliate. Protein shall be responsible for (and shall pay) any Taxes shown to be due on a Tax Return for a Carry-Over Period filed by Protein and any Protein Pre-Closing Affiliate pursuant to Section 2.4(a) hereof.

3.8 CARRY-BACKS. Protein shall be entitled to any refund of any Tax obtained by the Consolidated Group (or any member of the Consolidated Group), including any refund obtained as a result of the carry-back of losses or credits of Protein or any Protein Post-Closing Affiliate from any taxable period beginning after the Effective Date to any Taxable Period ending before or including the Effective Date. The application of any such carry-backs by Protein and/or any other current or former member of the Consolidated Group shall be in accordance with the Code and the Treasury Regulations promulgated thereunder. Notwithstanding this Section 3.9, Protein and any Protein Post-Closing Affiliate shall have the right, in its sole discretion, to make any election, including the election under Section 172(b)(3) of the Code, which would eliminate or limit the carry-back of any loss or credit to any Taxable Period ending before or including the Effective Date.

3.9 POST-CLOSING ELECTIONS. At Zapata's request, Protein and the Protein Pre-Closing Affiliates shall make and/or join with Zapata in making any Tax elections reasonably requested by Zapata after the Effective Date, if the making of such election does not have a material

adverse impact on Protein or any Protein Pre-Closing Affiliate for any post-Effective Date Tax period.

3.10 REFUNDS. Protein and any Protein Pre-Closing Affiliate shall be entitled to any refund of any Tax obtained by the Consolidated Group (or any member of the Consolidated Group) as a result of any audit, amendment or other change in the Tax Return as filed by the Consolidated Group or any member thereof to the extent the refund is attributable to Protein and any Protein Pre-Closing Affiliate for any Taxable Period of the Consolidated Group ending before or including the Effective Date. Zapata will cooperate with Protein and any Protein Pre-Closing Affiliate in obtaining such refunds, including, but not limited to, the filing of amended Tax Returns or refund claims. Zapata will immediately pay to Protein and any Protein Pre-Closing Affiliate any Tax refund described in this Section 3.10 when such refund is received by the Zapata Group. With the exception of Section 3.8, all other refunds arising from Tax Returns filed for the Consolidated Group will belong to Zapata.

ARTICLE 4
COOPERATION AND EXCHANGE OF INFORMATION

4.1 COOPERATION. Protein shall cooperate (and shall cause any Protein Post-Closing Affiliate to cooperate) fully at such time and to the extent reasonably requested by Zapata in connection with the preparation and filing of any Tax Return or the conduct of any audit, dispute, proceeding, suit or action concerning any issues or any other matter contemplated hereunder relating to any Taxable Period ending before or including the Effective Date. Such cooperation shall include, without limitation, (a) the retention and provision on demand of copies of books, records, documentation or other information relating to any such Tax Return until the later of (i) the expiration of the applicable statute of limitation (giving effect to any extension, waiver, or mitigation thereof) and (ii) in the event any claim has been made under this Agreement for which such information is relevant, until a Final Determination with respect to such claim; (b) the execution of any document that may be necessary or reasonably helpful in connection with the filing of any such Tax Return, or in connection with any audit, proceeding, suit or action addressed in the preceding sentence; and (c) the use of the parties' reasonable best efforts to obtain any documentation from a governmental authority or a third party that may be necessary or helpful in connection with the foregoing. Each party shall make its employees and facilities available on a mutually convenient basis to facilitate such cooperation.

4.2 TAX RETURNS FOR TAXABLE PERIODS INCLUDING THE EFFECTIVE DATE. Zapata will provide Protein with the opportunity to review and comment upon any Tax Returns to be filed after the date of this Agreement (including any amended returns), and will provide Protein, promptly upon its request, with copies of such Tax Returns (including any amended returns).

4.3 AUDITS. Zapata will allow Protein and any Protein Pre-Closing Affiliate and its counsel to participate (at the expense of Protein or its Protein Pre-Closing Affiliate) in any audits of Zapata's Consolidated Federal Income Tax Returns to the extent that such returns relate to Protein and any Protein Pre-Closing Affiliate. Zapata will not settle any such audit in a manner which would adversely affect Protein and any Protein Pre-Closing Affiliate without the prior written consent of Protein, which consent shall not be unreasonably withheld.

4.4 CARRYBACKS. Zapata will immediately pay to Protein and any Protein Pre-Closing Affiliate any Tax refund (or reduction in Tax liability) resulting from a carryback of a post-acquisition tax attribute of Protein and any Protein Pre-Closing Affiliates into the Zapata Consolidated Group Tax Return, when such refund or reduction is realized by the Zapata Group. Zapata will cooperate with Protein and any Protein Pre-Closing Affiliate in obtaining such refunds (or reduction in Tax liability), including, but not limited to, the filing of amended Tax Returns or refund claims.

4.5 CONTEST PROVISIONS. Zapata shall have full responsibility and discretion in the handling of any Tax controversy, including, without limitation, an audit, a protest to the Appeals Division of the IRS, and litigation in Tax Court or any other court of competent jurisdiction involving a Tax Return of the Consolidated Group or the Zapata Group.

ARTICLE 5
MISCELLANEOUS

5.1 TAX INDEMNIFICATION.

(a) Zapata shall defend, indemnify and hold harmless Protein and each Protein Pre-Closing Affiliate from and against any liability, cost or expense, including, without limitation, any fine, penalty, interest, charge or reasonable accountant's fee, for any Tax required under this Agreement to be paid by Zapata or any member of the Consolidated Group other than Protein or a Protein Pre-Closing Affiliate.

(b) Protein shall indemnify and hold harmless Zapata and each member of the Zapata Group from and against any liability, cost or expense, including without limitation, any fine, penalty, interest, charge or reasonable accountant's fee, for any Tax required under this Agreement to be paid by Protein or any Protein Post-Closing Affiliate.

(c) The amount of any payment made with respect to this Section 5.1 shall include any additional amount necessary to indemnify the recipient of the payment against any Taxes imposed or incurred (including any increase in liability or taxes resulting from a reduction in the amount of the loss), and any reasonable professional fees or other litigation costs incurred, in connection with such payment, and (ii) be reduced by the amount of any tax benefit realized or to be realized by the recipient as a result of its payment of the Taxes being indemnified hereunder.

5.2 BREACH. Zapata shall defend, indemnify and hold harmless Protein and each Protein Pre-Closing Affiliate and Protein shall indemnify and hold harmless each member of the Zapata Group from and against any payment required to be made under this Agreement as a result of the breach by a member of the Zapata Group or by Protein or a Protein Pre-Closing Affiliate, as the case may be, of any obligation under this Agreement.

5.3 RESOLUTION OF CERTAIN DISPUTES.

(a) Arbitration. Disagreements between Zapata and Protein with respect to amounts that either claims is owed by the other (or by an Affiliate of the other) under this Agreement, or other matters under this Agreement that are not resolved by mutual agreement, shall be resolved by arbitration pursuant to this Section 5.3.

(b) Selection of the Arbitrator. Any arbitrator selected pursuant to this Section 5.3(b) shall have at least ten (10) years of experience in the field of corporate taxation, shall be an attorney licensed to practice law in any state of the United States or a certified public accountant licensed to practice in any state of the United States and shall not be or have been employed by or affiliated with either party. The parties shall first attempt to agree on a mutually satisfactory arbitrator. If the parties are unable to agree on a mutually satisfactory arbitrator within thirty (30) days after either party notifies the other in writing of a disagreement requiring arbitration pursuant to this Section 5.3 (15 days in the case of a disagreement with respect to Section 4.1 through Section 4.5), each party shall select an arbitrator. The two arbitrators thus selected shall agree on and select a third arbitrator. If the two arbitrators cannot agree on such third arbitrator within thirty (30) days (fifteen (15) days in the case of a disagreement with respect to Section 4.1 through Section 4.5), the parties shall each select a different arbitrator and renew the foregoing procedure. If the position of an arbitrator is vacated, the person or persons who originally selected the arbitrator to fill such position shall select a new arbitrator to fill the position, unless the parties agree to continue the arbitration with the remaining arbitrators. When used hereinafter, the term "arbitrator" shall refer to the three arbitrators so selected when appropriate and a decision of a majority of such arbitrators shall constitute a decision by the arbitrator in the appropriate context.

(c) Arbitration Procedures.

(i) The arbitration shall be conducted under the auspices of the American Arbitration Association.

(ii) Each party within thirty (30) days after engagement of the arbitrator (fifteen (15) days in the case of a disagreement with respect to Section 4.1 through Section 4.5) shall submit to the arbitrator a written statement of the party's position (including where relevant the total net amount it asserts is owed by it or is due to it) regarding the total amount in dispute.

(iii) The arbitrator shall base his decision on the following standards. In the case of a factual dispute between the parties, the arbitrator shall make a determination of the correct facts. In the case of a dispute regarding a legal issue, including the proper application of the Tax laws or the proper interpretation of this Agreement, the arbitrator shall make a determination in accordance with his best legal judgment. Upon making determinations with respect to all factual and legal issues in dispute, the arbitrator shall determine the amount due by one party to the other or such other matter with respect to the matter subject to the arbitration. Where relevant, as to each matter in dispute, the arbitrator shall find in favor of the party whose statement submitted pursuant to paragraph (ii) above proposed the amount closest to the amount so determined.

(iv) The arbitrator shall render a written decision stating only the result of such decision as soon as practicable. The arbitrator shall also orally explain the bases of such decision to both parties as soon as practicable. If and only if both parties request, the arbitrator shall state the bases of such decision in writing. Where relevant, as to each matter in dispute, the arbitrator's decision shall be in an amount equal to one of the total amounts asserted by one of the parties in the written statements submitted pursuant to paragraph (ii) above. The arbitrator shall not, and is not authorized to, render a decision in any other amount.

(v) The arbitrator's decision shall be final and binding on the parties. No appeal to any court is contemplated by this Agreement and each party, to the maximum extent permissible by law, waives and relinquishes all rights and entitlements to appeal such decision.

(vi) The arbitrator shall determine a fair allocation of the costs of the arbitration proceeding (including each party's legal fees) as between the parties.

5.4 NOTICES. Any notice, demand, claim or other communication under this Agreement shall be in writing and shall be deemed given upon delivery if delivered personally, upon mailing if sent by certified mail, return receipt requested, postage prepaid, or upon completion of transmission if sent by telecopy or facsimile, to the parties at the following address:

If to Zapata: Zapata Corporation
1717 St. James Place, Suite 550
Houston, Texas 77056
Attention: Avram Glazer, Chief Executive Officer

If to Protein: Omega Protein, Inc.
1717 St. James Place, Suite 550
Houston, Texas 77056
Attention: Joseph von Rosenberg III,
Chief Executive Officer and
President

5.5 ENTIRE AGREEMENT. This Agreement and the applicable provisions of the Separation Agreement constitute the entire agreement of the parties concerning the subject matter hereof, and supersedes all other agreements, whether or not written, in respect of any Tax between or among any member or members of the Zapata Group, on the one hand, and Protein and any Protein Pre-Closing Affiliate, on the other hand. This Agreement may not be amended except by an agreement in writing, signed by the parties hereto. In the event and to the extent that there shall be a conflict between the provisions of this Agreement and the Separation Agreement, the provisions of this Agreement shall control.

5.6 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with, the laws of the State of Texas.

5.7 SUCCESSORS AND ASSIGNS. A party's rights and obligations under this Agreement may not be assigned without the prior written consent of the other party. All of the provisions of this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

5.8 NO THIRD-PARTY BENEFICIARIES. This Agreement is solely for the benefit of the parties to this Agreement and their respective subsidiaries and should not be deemed to confer upon third parties any remedy, claim, liability, reimbursement, claim of action or other right in excess of those existing without this Agreement.

5.9 LEGAL ENFORCEABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions. Any prohibition or unenforceability of any provision of this Agreement in any jurisdiction shall not invalidate or render unenforceable the provision in any other jurisdiction.

5.10 EXPENSES. Unless otherwise expressly provided in this Agreement or in the Separation Agreement, each party shall bear any and all expenses that arise from their respective obligations under this Agreement. In the event either party to this Agreement brings an action or proceeding for the breach or enforcement of this Agreement, the prevailing party in such action or proceeding, whether or not such action or proceeding proceeds to final judgment, shall be entitled to recover as an element of its costs, and not as damages, such reasonable attorneys' fees as may be awarded in the action or proceeding in addition to whatever other relief to which the prevailing party may be entitled.

5.11 CONFIDENTIALITY. Each party shall hold and cause its Representatives to hold in strict confidence, unless compelled to disclose by judicial or administrative process or, in the opinion of its counsel, by other requirements of law, all information (other than any such information relating solely to the business or affairs of such party) concerning the other parties hereto furnished it by such other party or its Representatives pursuant to this Agreement (except to the extent that such information can be shown to have been (a) previously known by the party to which it was furnished, (b) in the public domain through no fault of such party, or (c) later lawfully acquired from other sources by the party to which it was furnished), and each party shall not release or disclose such information to any other person, except its auditors, attorneys, financial advisors, bankers and other consultants and advisors who shall be advised of the provisions of this Section. Each party shall be deemed to have satisfied its obligation to hold confidential information concerning or supplied by the other party if it exercises the same care as it takes to preserve confidentiality for its own similar information.

5.12 COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signature thereto and hereto were upon the same instrument.

5.13 HEADINGS. Introductory headings used in this Agreement are solely for the convenience of the parties and shall not be deemed to be limitations upon or descriptive of the contents of the Section or Sub-sections concerned.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the date first above written.

OMEGA PROTEIN CORPORATION

By:

Name:
Title:

ZAPATA CORPORATION

By:

Name:
Title

EXHIBIT 10.4

REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT (this "Agreement"), dated as of April ___, 1998, between ZAPATA CORPORATION, a Delaware corporation ("Zapata"), and OMEGA PROTEIN CORPORATION, a Nevada corporation (the "Company").

R E C I T A L S:

A. Zapata is the owner of 19,676,000 shares of common stock, par value $.01 per share ("Common Stock"), of the Company.

B. The Company, with the consent of Zapata, has determined to offer to the public 4,000,000 shares of Common Stock, concurrently with the offer to the public of 4,000,000 of the shares of Common Stock owned by Zapata together with up to an additional 600,000 shares of Common Stock and 600,000 shares of Common Stock by the Company and Zapata, respectively, pursuant to over-allotment options granted to the investment banking firms underwriting such offering (the "Public Offering").

C. In partial consideration for the consent of Zapata to the Public Offering by the Company, the Company has, among other things, agreed to grant to Zapata certain registration rights applicable to Registrable Securities (as defined below) held by Zapata.

D. The parties hereto desire to enter into this Agreement to set forth the terms of such registration rights.

NOW, THEREFORE, upon the premises and based on the mutual promises herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. CERTAIN DEFINITIONS. As used in this Agreement, the following initially capitalized terms shall have the following meanings:

(a) "Affiliate" means, with respect to any person, any other person who, directly or indirectly, is in control of, is controlled by or is under common control with the former person; and "control" (including the terms "controlling," "controlled by," and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

(b) "Company Securities" has the meaning set forth in Section 3 hereof.

(c) "Exchangeable Securities" has the meaning set forth in Section 6 of this Agreement.

(d) "Fair Market Value" means, with respect to any security, (i) if the security is listed on a national securities exchange or authorized for quotation on a national market quotation system, the closing price, regular way, of the security on such exchange or quotation system, as the case may be, or if no such reported sale of the security shall have occurred on such date, on the next preceding date on which there was such a reported sale, or (ii) if the security is not listed for trading on a national securities exchange or authorized for quotation on a national market quotation system, the average of the closing bid and asked prices as reported by the National Association of Securities Dealers Automated Quotation System or such other reputable entity or system engaged in the regular reporting of securities prices and on which such prices for such security are reported or, if no such prices shall have been reported for such date, on the next preceding date for which such prices were so reported, or (iii) if the security is not publicly traded, the fair market value of such security as determined by a nationally recognized investment banking or appraisal firm mutually acceptable to the Company and the Holders, the fair market value of whose Registrable Securities is to be determined.

(e) "Holder" means Zapata or any Permitted Transferee.

(f) "Initiating Holders" has the meaning set forth in Section 3 of this Agreement.

(g) "Other Holders" has the meaning set forth in Section 3 hereof.

(h) "Other Securities" has the meaning set forth in Section 3 hereof.

(i) "Other Voting Securities" means any options, rights, warrants or other securities convertible into or exchangeable for Voting Stock of the Company.

(j) "Permitted Transferee" has the meaning set forth in Section 11 hereof.

(k) "Person" means any individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture, or other entity of whatever nature.

(l) "Registrable After-Acquired Securities" means any securities of the Company acquired by Zapata (or any Permitted Transferee).

(m) "Registrable Securities" means (i) all shares of Common Stock (as presently constituted) owned on the date hereof by Zapata, (ii) all Registrable After-Acquired Securities, (iii) any stock or other securities into which or for which such Common Stock or Registrable After-Acquired Securities may hereafter be changed, converted or exchanged, and (iv) any other securities issued to holders of such Common Stock or Registrable After-Acquired

Securities (or such stock or other securities into which or for which such Common Stock or Registrable After-Acquired Securities are so changed, converted or exchanged) upon any reclassification, share combination, share subdivision, share dividend, merger, consolidation or similar transaction or event, provided that any such securities shall cease to be Registrable Securities when such securities are sold in any manner to a person who is not a Permitted Transferee.

(n) "Registration Expenses" means all out-of-pocket expenses incurred in connection with any registration of Registrable Securities pursuant to this Agreement including, without limitation, the following; (i) SEC filing fees; (ii) the fees, disbursements and expenses of the Company's counsel(s) and accountants in connection with the registration of the Registrable Securities to be disposed of; (iii) all expenses in connection with the preparation, printing and filing of the registration statement, any preliminary prospectus or final prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to any Holders, underwriters and dealers and all expenses incidental to delivery of the Registrable Securities; (iv) the cost of printing or producing any underwriting agreement, agreement among underwriters, agreement between syndicates, selling agreement, blue sky or legal investment memorandum or other document in connection with the offering, sale or delivery of the Registrable Securities to be disposed of; (v) all expenses in connection with the qualification of the Registrable Securities to be disposed of for offering and sale under state securities laws, including the fees and disbursements of counsel for the underwriters in connection with such qualification and the preparation of any blue sky and legal investments surveys; (vi) the filing fees incident to securing any required review by the National Association of Securities Dealers, Inc. of the terms of the sale of the Registrable Securities to be disposed of; (vii) transfer agents', depositaries' and registrars' fees and the fees of any other agent appointed in connection with such offering; (viii) all security engraving and security printing expenses, (ix) all fees and expenses payable in connection with the listing of the Registrable Securities on any securities exchange or inter-dealer quotation system; and (x) any one-time payment for directors and officers insurance directly related to such offering, provided the insurer provides a separate statement for such payment.

(o) "Rule 144" means Rule 144 promulgated under the Securities Act, or any successor rule to similar effect.

(p) "SEC" means the United States Securities and Exchange Commission.

(q) "Securities Act" means the Securities Act of 1933, as amended, or any successor statute.

(r) "Selling Expenses" means all underwriting discounts and commissions, selling concessions and stock transfer taxes applicable to the sale by the Holders of Registrable Securities pursuant to this Agreement and all fees and disbursements of any legal counsel, investment banker, accountant or other professional advisor retained by a Holder.

(s) "Selling Holder" has the meaning set forth in Section 5 hereof.

(t) "Transactional Deferral" has the meaning set forth in Section 2 of this Agreement.

(u) "Voting Stock" means shares of the Company's capital stock having the power under ordinary circumstances (and not merely upon the happening of a contingency) to vote in the election of directors of the Company.

2. Demand Registration.

(a) At any time prior to such time as the rights under this Section 2 terminate with respect to a Holder as provided in Section 2(e) hereof, upon written notice from such Holder in the manner set forth in Section 12(h) hereof requesting that the Company effect the registration under the Securities Act of any or all of the Registrable Securities held by such Holder, which notice shall specify the intended method or methods of disposition of such Registrable Securities, the Company shall use its best efforts to effect, in the manner set forth in Section 5, the registration under the Securities Act of such Registrable Securities for disposition in accordance with the intended method or methods of disposition stated in such request (including in an offering on a delayed or continuous basis under Rule 415 (or any successor rule to similar effect) promulgated under the Securities Act, if (x) the Company is then eligible to register such Registrable Securities on Form S-3 (or a successor form) for such offering and (y) the Company consents to such an offering (except that no consent of the Company will be required if the contemplated offering on a delayed or continuous basis under Rule 415 is the offering of Registrable Securities upon the exercise, exchange or conversion of Exchangeable Securities as contemplated by Section 6 hereof)), provided that:

(i) if, within 5 business days of receipt of a registration request pursuant to this Section 2(a), the Holder or Holders making such request are advised in writing that the Company has in good faith commenced the preparation of a registration statement for an underwritten public offering prior to receipt of the notice requesting registration pursuant to this Section 2(a) and the managing underwriter of the proposed offering has determined that in such firm's good faith opinion, a registration at the time and on the terms requested would materially and adversely affect the offering that is contemplated by the Company, the Company shall not be required to effect a registration pursuant to this Section 2(a) (a "Transactional Deferral") until the earliest of (A) the abandonment of such offering by the Company, (B) 60 days after receipt by the Holder or Holders requesting registration of the managing underwriter's written opinion referred to above in this clause (i), unless the registration statement for such offering has become effective and such offering has commenced on or prior to such 60th day, and (C) if the registration statement for such offering has become effective and such offering has commenced on or prior to such 60th day, the day on which the restrictions on the Holders contained in Section 10 hereof lapse, provided, however, that the Company shall not be permitted to delay a requested registration in reliance on this clause (i) more than once in any 12-month period;

(ii) if, while a registration request is pending pursuant to this Section 2(a), the Company determines, following consultation with and receiving advice from its legal counsel, that the filing of a registration statement would require the disclosure of material information that the Company has a bona fide business purpose for preserving as confidential and the disclosure of which the Company determines reasonably and in good faith would have a material adverse effect on the Company, the Company shall not be required to effect a registration pursuant to this Section 2(a) until the earlier of (A) the date upon which such material information is otherwise disclosed to the public or ceases to be material and (B) 90 days after the Company makes such determination;

(iii) the Company shall not be obligated to file a registration statement relating to a registration request pursuant to this Section 2: (A) prior to the first anniversary of the closing of the Public Offering, (B) within a period of 365 calendar days after the effective date of any other registration statement of the Company demanded pursuant to this Section 2(a), or (C) if such registration request is for a number of Registrable Securities having a Fair Market Value on the business day immediately preceding the date of such registration request of less than $50,000,000.00; and

(iv) the Company shall not be obligated to file a registration statement relating to a registration request pursuant to this Section 2: (A) in the case of a registration request by Zapata or any Permitted Transferee that has acquired, in the transaction in which it became a Permitted Transferee, at least a majority of the then issued and outstanding Voting Stock, on more than three occasions after such time as Zapata or such Permitted Transferee, as the case may be, owns less than a majority of the voting power of the outstanding capital stock of the Company (it being acknowledged that so long as Zapata or such Permitted Transferee owns a majority of the voting power of the outstanding capital stock of the Company, there shall be no limit to the number of occasions on which Zapata or such Permitted Transferee may exercise such rights in accordance with, and subject to, the other provisions hereof), or (B) in the case of a Holder other than Zapata or a Permitted Transferee described in clause (A) above, on more than the number of occasions permitted such Holder in accordance with Section 11 hereof.

(b) Notwithstanding any other provision of this Agreement to the contrary:

(i) a registration requested by a Holder pursuant to this Section 2 shall not be deemed to have been effected (and, therefore, not requested for purposes of Section 2(a)), (A) unless the registration statement filed in connection therewith has become effective, (B) if after such registration statement has become effective, it becomes subject to any stop order, or there is issued an injunction or other order or decree of the SEC or other governmental agency or court for any reason other than a misrepresentation or

an omission by such Holder, which injunction, order or decree prohibits or otherwise materially and adversely affects the offer and sale of the Registrable Securities so registered prior to the completion of the distribution thereof in accordance with the plan of distribution set forth in the registration statement or (C) if the conditions to closing specified in the purchase agreement or underwriting agreement entered into in connection with such registration are not satisfied by reason of some act, misrepresentation or omission by the Company and are not waived by the purchasers or underwriters; and

(ii) nothing herein shall modify a Holder's obligation to pay Registration Expenses, in accordance with Section 4 hereof, that are incurred in connection with any withdrawn registration requested by such Holder.

(c) In the event that any registration pursuant to this Section 2 shall involve, in whole or in part, an underwritten offering, Holders owning at least 50.1% of the Fair Market Value of the Registrable Securities to be registered in connection with such offering shall have the right to designate an underwriter reasonably satisfactory to the Company as the lead managing underwriter of such underwritten offering, and the Company shall have the right to designate one underwriter reasonably satisfactory to such Holders as a co-manager of such underwritten offering.

(d) The Company shall have the right to cause the registration of additional securities for sale for the account of any person (including the Company) in any registration of Registrable Securities requested by any Holder pursuant to Section 2(a) only to the extent the managing underwriter or other independent marketing agent for such offering (if any) determines that, in its opinion, the additional securities proposed to be sold will not materially and adversely affect the offering and sale of the Registrable Securities to be registered in accordance with the intended method or methods of disposition then contemplated by such Holder. The rights of a Holder to cause the registration of additional Registrable Securities held by such Holder in any registration of Registrable Securities requested by another Holder pursuant to Section 2(a) shall be governed by the agreement of the Holders with respect thereto as provided in Section 11(a).

(e) The Company shall not be obligated to file a registration statement relating to a registration request by a Holder pursuant to this Section 2 from and after such time as such Holder first owns Registrable Securities representing (assuming for this purpose the conversion, exchange or exercise of all Registrable Securities then owned by such Holder that are convertible into or exercisable or exchangeable for Voting Stock of the Company) less than 10% of the then issued and outstanding Voting Stock of the Company.

3. Piggyback Registration. If the Company at any time proposes to register any of its Common Stock or any other of its securities (collectively, "Other Securities") under the Securities Act, whether or not for sale for its own account, in a manner which would permit registration of Registrable Securities for sale for cash to the public under the Securities Act, it will at such time give prompt written notice to each Holder of its intention to do so at least

10 business days prior to the anticipated filing date of the registration statement relating to such registration. Such notice shall offer each such Holder the opportunity to include in such registration statement such number of Registrable Securities as each such Holder may request. Upon the written request of any such Holder made within 5 business days after the receipt of the Company's notice (which request shall specify the number of Registrable Securities intended to be disposed of and the intended method of disposition thereof), the Company shall effect, in the manner set forth in Section 5, in connection with the registration of the Other Securities, the registration under the Securities Act of all Registrable Securities which the Company has been so requested to register, to the extent required to permit the disposition (in accordance with such intended methods thereof) of the Registrable Securities so requested to be registered, provided that:

(a) if at any time after giving written notice of its intention to register any securities and prior to the effective date of such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to the Holders and, thereupon, (A) in the case of a determination not to register, the Company shall be relieved of its obligation to register any Registrable Securities in connection with such registration and (B) in the case of a determination to delay such registration, the Company shall be permitted to delay registration of any Registrable Securities requested to be included in such registration for the same period as the delay in registering such other securities, but, in either such case, without prejudice to the rights of the Holders under Section 2;

(b) (i) if the registration referred to in the first sentence of this Section 3 is to be a registration in connection with an underwritten offering on behalf of either the Company or holders of securities (other than Registrable Securities) of the Company ("Other Holders"), and the managing underwriter for such offering advises the Company in writing that, in such firm's opinion, such offering would be materially and adversely affected by the inclusion therein of Registrable Securities requested to be included therein because such Registrable Securities are not of the same type, class or series as the securities to be offered and sold in such offering on behalf of the Company and/or the Other Holders, the Company may exclude all such Registrable Securities from such offering provided that the Holder is permitted to substitute for the Registrable Securities so excluded an equal number of Registrable Securities of the same type, class or series as those being registered by the Company or the Other Holders, if and to the extent such Holder owns Registrable Securities of such type, class or series or can acquire Registrable Securities of such type, class or series upon exercise or conversion of other Registrable Securities; and

(ii) if the registration referred to in the first sentence of this Section 3 is to be a registration in connection with an underwritten primary offering on behalf of the Company, and the managing underwriter for such offering advises the Company in writing that, in such firm's opinion, such offering would be materially and adversely affected by the inclusion therein of the Registrable Securities requested to be included therein because the number or principal amount of such Registrable Securities, considered together with the number or principal amount of securities proposed to be offered by the Company, exceeds the aggregate

number or principal amount of securities which, in such firm's opinion, can be sold in such offering without materially and adversely affecting the offering, the Company shall include in such registration: (1) first, all securities the Company proposes to sell for its own account ("Company Securities") and (2) second, the number or principal amount of Registrable Securities and securities, if any, requested to be included therein by Other Holders in excess of the number or principal amount of Company Securities which, in the opinion of such underwriter, can be so sold without materially and adversely affecting such offering (allocated pro rata among the Holders and the Other Holders on the basis of the number of securities (including Registrable Securities) requested to be included therein by each Holder and each such Other Holder); and

(iii) if the registration referred to in the first sentence of this Section 3 is to be a registration in connection with an underwritten secondary offering on behalf of Other Holders made pursuant to demand registration rights granted by the Company to such Other Holders (the "Initiating Holders"), and the managing underwriter for such offering advises the Company in writing that, in such firm's opinion, such offering would be materially and adversely affected by the inclusion therein of the Registrable Securities requested to be included therein because the number or principal amount of such Registrable Securities, considered together with the number or principal amount of securities proposed to be offered by the Initiating Holders, exceeds the aggregate number or principal amount of securities which, in such firm's opinion, can be sold in such offering without materially and adversely affecting the offering, the Company shall include in such registration; (1) first, to the extent the registration rights granted to an Initiating Holder permit it to exclude other securities from its registration on substantially the same basis as that set forth in the first sentence of Section 2(d) hereof, all securities any such Initiating Holder proposes to sell for its own account, and (2) second, the number or principal amount of additional securities (including Registrable Securities) that such managing underwriter advises can be sold without materially and adversely affecting such offering, allocated pro rata among any Other Holders to which clause (1) does not apply and the Holders on the basis of the number of securities (including Registrable Securities) requested to be included therein by each Holder and each such Other Holder,

(c) the Company shall not be required to effect any registration of Registrable Securities under this Section 3 incidental to the registration of any of its securities in connection with stock option or other executive or employee benefit or compensation plans of the Company;

(d) no registration of Registrable Securities effected under this Section 3 shall relieve the Company of its obligation to effect any registration of Registrable Securities required of the Company pursuant to Section 2 hereof, except as expressly provided in Section 2(a)(iv) to the extent such registration under this Section 3 results in a reduction in ownership below the majority threshold specified therein; and

(e) the Company shall not be required to effect any registration of Registrable Securities under this Section for any Holder from and after such time as such Holder is able to dispose of all of its Registrable Securities within a three-month period pursuant to Rule 144.

4. Expenses. The Holders, on the one hand, by accepting Registrable Securities, and the Company, on the other hand, each agree to pay one-half of all Registration Expenses with respect to a registration pursuant to Section 2 hereof, provided that to the extent a registration pursuant to Section 2 includes the registration of shares for the Company or another person in connection therewith, the Company or such other person shall pay all incremental expenses of including such additional shares in the registration. The Holders' portion of any Registration Expenses shall be allocated among them pro rata based on each Holder's number or principal amount of Registrable Securities included in such offering. The Company agrees to pay all Registration Expenses with respect to a registration pursuant to Section 3 hereof. All Registration Expenses to be paid by the Holder shall be paid within 10 days of the delivery of a statement from the Company, such statements to be delivered not more frequently than once every 30 days. All internal expenses of the Company or a Holder in connection with any offering pursuant to this Agreement, including, without limitation, the salaries and expenses of officers and employees, including in-house attorneys, shall be borne by the party incurring them. All Selling Expenses of the Holders participating in any registration pursuant to this Agreement shall be borne by such Holders pro rata based on each Holder's number of Registrable Securities included in such registration.

5. Registration and Qualification. If and whenever the Company is required to use its best efforts to effect the registration of any Registrable Securities under the Securities Act as provided in Section 2 or 3 hereof, the Company, subject to Section 4 hereof, shall:

(a) prepare and file a registration statement under the Securities Act relating to the Registrable Securities to be offered as soon as practicable, but in no event later than 45 days (60 days if the applicable registration form is other than Form S-3) after the date notice is given, and use its best efforts to cause the same to become effective within 90 days after the date notice is given (120 days if the applicable registration form is other than Form S-3);

(b) prepare and file with the SEC such amendments and supplements to such registration statement and the prospectus used in connection therewith as may be necessary to keep such registration statement effective with respect to the disposition of all Registrable Securities until the earlier of (i) such time as all of such Registrable Securities have been disposed of in accordance with the intended methods of disposition set forth in such registration statement and (ii) the expiration of nine months after such registration statement becomes effective; provided, that such nine-month period shall be extended for such number of days that equals the number of days elapsing from (A) the date the written notice contemplated by paragraph (f) below is given by the Company to (B) the date on which the Company delivers to the Holders of Registrable Securities the supplement or amendment contemplated by paragraph (f) below; and provided further, that in the case of a registration to permit the exercise or exchange of Exchangeable Securities for, or the conversion of Exchangeable Securities into, Registrable Securities, the time limitation contained in clause (ii) above shall be disregarded to the extent that, in the written opinion of Zapata's counsel delivered to the Company, such Registrable Securities are required to be covered by an effective registration statement under the Securities Act at the time such Registrable Securities are issued upon exercise, exchange or conversion of Registrable Securities in order for such

Registrable Securities to be freely tradeable by any person who is not an Affiliate of the Company or Zapata;

(c) furnish to the Holders and to any underwriter of such Registrable Securities such number of conformed copies of such registration statement and of each such amendment and supplement thereto (in each case including all exhibits), such number of copies of the prospectus included in such registration statement (including each preliminary prospectus and any summary prospectus), in conformity with the requirements of the Securities Act, and such other documents, as the Holders or such underwriter may reasonably request in order to facilitate the public sale of the Registrable Securities, and a copy of any and all transmittal letters or other correspondence to, or received from, the SEC or any other governmental agency or self-regulatory body or other body having jurisdiction (including any domestic or foreign securities exchange) relating to such offering;

(d) use its best efforts to register or qualify all Registrable Securities covered by such registration statement under the securities or blue sky laws of such jurisdictions (domestic or foreign) as the Holders or any underwriter of such Registrable Securities shall request, and use its best efforts to obtain all appropriate registrations, permits and consents required in connection therewith, and do any and all other acts and things which may be necessary or advisable to enable the Holders or any such underwriter to consummate the disposition in such jurisdictions of its Registrable Securities covered by such registration statement; provided that the Company shall not for any such purpose be required to register or qualify generally to do business as a foreign corporation in any jurisdiction wherein it is not so qualified, or to subject itself to taxation in any such jurisdiction, or to consent to general service of process in any such jurisdiction;

(e) (i) use its best efforts to furnish an opinion of counsel for the Company addressed to the underwriters and each Holder of Registrable Securities included in such registration (each a "Selling Holder") and dated the date of the closing under the underwriting agreement (if any) (or if such offering is not underwritten, dated the effective date of the registration statement), and (ii) use its best efforts to furnish a "cold comfort" letter addressed to each Selling Holder, if permissible under applicable accounting practices, and signed by the independent public accountants who have audited the Company's financial statements included in such registration statement, in each such case covering substantially the same matters with respect to such registration statement (and the prospectus included therein) as are customarily covered in opinions of issuer's counsel and in accountants' letters delivered to underwriters in underwritten public offerings of securities and, in the case of such accountants' letter, with respect to events subsequent to the date of such financial statements;

(f) immediately notify each Selling Holder in writing (i) at any time when a prospectus relating to a registration pursuant to Section 2 or 3 hereof is required to be delivered under the Securities Act of the happening of any event as a result of which the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were

made, not misleading, and (ii) if any request by the SEC or any other regulatory body or other body having jurisdiction for any amendment of or supplement to any registration statement or other document relating to such offering, and in either such case (i) or (ii) at the request of the Selling Holders, subject to Section 4 hereof, prepare and furnish to the Selling Holders a reasonable number of copies of a supplement to or an amendment of such prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading;

(g) use its best efforts to list all such Registrable Securities covered by such registration on each securities exchange and inter-dealer quotation system on which the Common Stock is then listed, with expenses in connection therewith (not including any future periodic assessments or fees for such additional listing, which shall be paid by the Company) to be paid in accordance with Section 4 hereof;

(h) use its best efforts to list all Registrable Securities covered by such registration statement on any securities exchange or inter-dealer quotation system (in each case, domestic or foreign) not described in paragraph (g) above as the Selling Holders or any underwriter of such Registrable Securities shall request, and use its best efforts to obtain all appropriate registrations, permits and consents required in connection therewith, and to do any and all other acts and things which may be necessary or advisable to effect such listing; provided, however, that, (i) notwithstanding Section 4, the Holders of the Registrable Securities to be so listed shall pay all costs and expenses incurred by the Company in connection with such listing and (ii) the Company shall have no obligation to use its best efforts to so list Registrable Securities if in the good faith opinion of counsel for the Company such listing shall impose on the Company an ongoing material compliance obligation;

(i) to the extent reasonably requested by the lead or managing underwriters in connection with any underwritten offering, send appropriate officers of the Company to attend any "road shows" scheduled in connection with any such registration; and

(j) furnish for delivery in connection with the closing of any offering of Registrable Securities unlegended certificates representing ownership of the Registrable Securities being sold in such denominations as shall be requested by the Selling Holders or the underwriters.

6. Exchangeable Securities. Zapata shall be entitled, if it intends to offer any options, rights, warrants or other securities issued or to be issued by it or any other person that are exercisable or exchangeable for or convertible into any Registrable Securities ("Exchangeable Securities"), to register the Registrable Securities underlying such options, rights, warrants or other securities pursuant to (and subject to the limitations contained in) Section 2 of this Agreement.

7. Underwriting; Due Diligence.

(a) If requested by the underwriters for any underwritten offering of Registrable Securities pursuant to a registration requested under this Agreement, the Company shall enter into an underwriting agreement, with such underwriters for such offering, such agreement to contain such representations and warranties by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnities and contribution substantially to the effect and to the extent provided in Section 8 hereof and the provision of opinions of counsel and accountants' letters to the effect and to the extent provided in Section 5(e) hereof. The Selling Holders on whose behalf the Registrable Securities are to be distributed by such underwriters shall be parties to any such underwriting agreement. Such underwriting agreement shall also contain such representations and warranties by the Selling Holders on whose behalf the Registrable Securities are to be distributed as are customarily contained in underwriting agreements with respect to secondary distributions. The Selling Holders may require that any additional securities included in an offering proposed by a Holder be included on the same terms and conditions as the Registrable Securities that are included therein.

(b) In the event that any registration pursuant to Section 3 shall involve, in whole or in part, an underwritten offering, the Company may require the Registrable Securities requested to be registered pursuant to Section 3 to be included in such underwritten offering on the same terms and conditions as shall be applicable to the other securities being sold through underwriters under such registration. If requested by the underwriters for such underwritten offering, the Selling Holders on whose behalf the Registrable Securities are to be distributed shall enter into an underwriting agreement with such underwriters, such agreement to contain such representations and warranties by the Selling Holders and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions, including, without limitation, indemnities and contribution substantially to the effect and to the extent provided in Section 8 hereof. Such underwriting agreement shall also contain such representations and warranties by the Company and such other person or entity for whose account securities are being sold in such offering as are customarily contained in underwriting agreements with respect to secondary distributions.

(c) In connection with the preparation and filing of each registration statement registering Registrable Securities under the Securities Act, the Company shall give the Holders of such Registrable Securities and the Underwriters, if any, and their respective counsel and accountants, such reasonable and customary access to its banks and records and such opportunities to discuss the business of the Company with its officers and the independent public accountants who have certified the Company's financial statements as shall be necessary, in the opinion of such Holders and such underwriters or their respective counsel, to conduct a reasonable investigation within the meaning of the Securities Act.

(d) 8. Indemnification and Contribution.

(a) In the case of each offering of Registrable Securities made pursuant to this Agreement, the Company agrees to indemnify and hold harmless each Holder, its officers and directors, each underwriter of Registrable Securities so offered and each person, if any, who controls any of the foregoing persons within the meaning of the Securities Act, from and against any and all claims, liabilities, losses, damages, expenses and judgments, joint or several, to which they or any of them may become subject, under the Securities Act or otherwise, including any amount paid in settlement of any litigation commenced or threatened which is approved by the indemnifying party as provided below, and shall promptly reimburse them, as and when incurred, for any reasonable legal or other expenses incurred by them in connection with investigating any claims and defending any actions, insofar as such losses, claims, damages, liabilities or actions shall arise out of, or shall be based upon, any untrue statement or alleged untrue statement of a material fact contained in the registration statement (or in any preliminary or final prospectus included therein) or any amendment thereof or supplement thereto, or in any document incorporated by reference therein, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading; provided, however, that the Company shall not be liable to a particular Holder in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement, or any omission, if such statement or omission shall have been made in reliance upon and in conformity with information relating to such Holder furnished to the Company in writing by or on behalf of such Holder specifically for use in the preparation of the registration statement (or in any preliminary or final prospectus included therein) or any amendment thereof or supplement thereto. Such indemnity shall remain in full force and affect regardless of any investigation made by or on behalf of a Holder and shall survive the transfer of such securities. The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to each Holder, any of such Holder's directors or officers, underwriters of the Registrable Securities or any controlling person of the foregoing; provided, further, that this indemnity does not apply in favor of any underwriter or person controlling an underwriter (or if a Selling Holder offers Registrable Securities directly without an underwriter, the Selling Holder) with respect to any loss, liability, claim, damage or expense arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission in any preliminary prospectus if a copy of a final prospectus was not sent or given by or on behalf of an underwriter (or the Selling Holder, if the Selling Holder offered the Registrable Securities directly without an underwriter) to the person asserting such loss, claim, damage, liability or action at or prior to the written confirmation of the sale of the Registrable Securities as required by the Securities Act and such untrue statement or omission had been corrected in such final prospectus.

(b) In the case of each offering made pursuant to this Agreement, each Holder of Registrable Securities included in such offering, by exercising its registration rights hereunder, agrees to indemnify and hold harmless the Company, its officers and directors and each person, if any, who controls any of the foregoing within the meaning of the Securities Act (and if requested by the underwriters, each underwriter who participates in the offering and

each person, if any, who controls any such underwriter within the meaning of the Securities Act), from and against any and all claims, liabilities, losses, damages, expenses and judgments, joint or several, to which they or any of them may become subject, under the Securities Act or otherwise, including any amount paid in settlement of any litigation commenced or threatened which is approved by the indemnifying party as provided below, and shall promptly reimburse them, as and when incurred, for any legal or other expenses incurred by them in connection with investigating any claim and defending any actions, insofar as any such losses, claims, damages, liabilities or actions shall arise out of, or shall be based upon, any untrue statement or alleged untrue statement of a material fact contained in the registration statement (or in any preliminary or final prospectus included therein) or any amendment thereof or supplement thereto, or any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that such untrue statement of a material fact is contained in, or such material fact is omitted from, information relating to such Holder furnished in writing to the Company by or on behalf of such Holder specifically for use in the preparation of such registration statement (or in any preliminary or final prospectus included therein). The foregoing indemnity is in addition to any liability which such Holder may otherwise have to the Company, any of its directors or officers, underwriters of the Registrable Securities or any controlling person of the foregoing; provided, however, that this indemnity does not apply in favor of any underwriter or person controlling an underwriter (or if the Company offers Registrable Securities directly without an underwriter, the Company) with respect to any loss, liability, claim, damage or expense arising out of or based upon any untrue statement or alleged untrue statement or omission or alleged omission in any preliminary prospectus if a copy of a final prospectus was not sent or given by or on behalf of an underwriter (or the Company, if the Company offered the Registrable Securities directly without an underwriter) to the person asserting such loss, claim, damage, liability or action at or prior to the written confirmation of the sale of the Registrable Securities as required by the Securities Act and such untrue statement or omission had been corrected in such final prospectus.

(c) Each party indemnified under Paragraph (a) or (b) of this Section 8 shall, promptly after receipt of notice of any claim or the commencement of any action against such indemnified party in respect of which indemnity may be sought, notify the indemnifying party in writing of the claim or the commencement thereof; provided that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party on account of the indemnity agreement contained in paragraph (a) or (b) of this Section 8, except to the extent the indemnifying party was prejudiced by such failure, and in no event shall relieve the indemnifying party from any other liability which it may have to such indemnified party. If any such claim or action shall be brought against an indemnified party, and it shall notify the indemnifying party thereof, the indemnifying party shall be entitled to participate therein, and, to the extent that it wishes, jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel reasonably satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses

subsequently incurred by the indemnified party in connection with the defense thereof; provided that each indemnified party, its officers and directors, if any, and each person, if any, who controls such indemnified party within the meaning of the Securities Act, shall have the right to employ separate counsel reasonably approved by the indemnifying party to represent them if the named parties to any action (including any impleaded parties) include both such indemnified party and an indemnifying party or an Affiliate of an indemnifying party, and such indemnified party shall have been advised by counsel either (i) that there may be one or more legal defenses available to such indemnifying party that are different from or additional to those available to such indemnified party or such Affiliate or (ii) a conflict may exist between such indemnified party and such indemnifying party or such Affiliate, and in that event the fees and expenses of one such separate counsel for all such indemnified parties shall be paid by the indemnifying party. An indemnified party will not settle any claim or action for which he or it is being indemnified hereunder unless the terms thereof are first approved in writing by the indemnifying party, such approval not to be unreasonably withheld. The indemnifying party may not agree to any settlement of any such claim or action which provides for any remedy or relief other than monetary damages for which the indemnifying party shall be responsible hereunder, without the prior written consent of the indemnified party, which consent shall not be unreasonably withheld. In any action hereunder as to which the indemnifying party has assumed the defense thereof with counsel reasonably satisfactory to the indemnified party, the indemnified party shall continue to be entitled to participate in the defense thereof, with counsel of its own choice, but, except as set forth above, the indemnifying party shall not be obligated hereunder to reimburse the indemnified party for the costs thereof. In all instances, the indemnified party shall cooperate fully with the indemnifying party or its counsel in the defense of such claim or action.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to herein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, in such proportion as shall be appropriate to reflect the relative fault of the indemnifying party on the one hand and the indemnified party on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the indemnifying party on the one hand or the indemnified party on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission, but not by reference to any indemnified party's stock ownership in the Company. In no event, however, shall a Holder be required to contribute in excess of the amount of the net proceeds received by such Holder in connection with the sale of Registrable Securities in the offering which is the subject of such loss, claim, damage or liability. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this paragraph shall be deemed to include, for purposes of this paragraph, any legal or other

expenses reasonably incurred by such indemnifying party in connection with investigating or defending any such action or claim. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

9. Rule 144. The Company shall take such measures and file such information, documents and reports as shall be required by the SEC as a condition to the availability of Rule 144 (or any successor provision). The Company shall use its best efforts to cause all conditions to the availability of Form S-3 (or any successor form thereto) under the Securities Act for the filing of registration statements under this Agreement to be met as soon as possible after the completion of the Public Offering.

10. Holdback.

(a) Each Holder agrees by the acquisition of Registrable Securities, if so required by the managing underwriter of any offering of equity securities by the Company, not to sell, make any short sale of, loan, grant any option for the purchase of, effect any public sale or distribution of or otherwise dispose of any Registrable Securities owned by such Holder, during the 30 days prior to and the 90 days after the registration statement relating to such offering has become effective (or such shorter period as may be required by the underwriter), except as part of such underwritten offering. Notwithstanding the foregoing sentence, each Holder subject to the foregoing sentence shall be entitled to sell during the foregoing period any securities of the Company owned by it in a private sale. The Company may legend and may impose stop transfer instructions on any certificate evidencing Registrable Securities relating to the restrictions provided for in this Section 10.

(b) The Company agrees, if so required by the managing underwriter of any offering of Registrable Securities, not to sell, make any short sale of, loan, grant any option for the purchase of (other than pursuant to employee benefit plans), effect any public sale or distribution of or otherwise dispose of any of its equity securities during the 30 days prior to and the 90 days after any underwritten registration pursuant to Section 2 or 3 hereof has become effective, except as part of such underwritten registration and except pursuant to registrations on Form S-4, S-8 or any successor or similar forms thereto.

11. Transfer of Registration Rights.

(a) A Holder may transfer all or any portion of its rights under this Agreement to any transferee of Registrable Securities that represent (assuming the conversion, exchange or exercise of all Registrable Securities so transferred that are convertible into or exercisable or exchangeable for the Company's Voting Stock) at least 20% of the then issued and outstanding Voting Stock of the Company (each, a "Permitted Transferee"); provided, however, that (i) with respect to any transferee of less than a majority but more than 30% of the then issued and outstanding Voting Stock, the Company shall not be obligated to file a registration statement pursuant to a registration request made by such transferee pursuant to Section 2 hereof on more than two occasions, and (ii) with respect to any transferee of 30% or less of

the then issued and outstanding Voting Stock, the Company shall not be obligated to file a registration statement pursuant to a registration request made by such transferee pursuant to Section 2 hereof on more than one occasion. No transfer of registration rights pursuant to this Section shall be effective unless the Company has received written notice from the Holder of an intention to transfer at least 20 days prior to the Holder's entering into a binding agreement to transfer Registrable Securities (10 days in the event of an unsolicited offer). Such notice need not contain proposed terms or name a proposed Permitted Transferee. On or before the time of the transfer, the Company shall receive a written notice stating the name and address of any Permitted Transferee and identifying the number and/or aggregate principal amount of Registrable Securities with respect to which the rights under this Agreement are being transferred and the scope of the rights so transferred. In connection with any such transfer, the term Zapata as used in this Agreement (other than in Section 2(a)(iv)) shall, where appropriate to assign the rights and obligations hereunder to such Permitted Transferee, be deemed to refer to the Permitted Transferee of such Registrable Securities. Zapata and any Permitted Transferees may exercise the registration rights hereunder in such priority, as among themselves, as they shall agree among themselves, and the Company shall observe any such agreements of which it shall have notice as provided above.

(b) After any such transfer, the transferring Holder shall retain its rights under this Agreement with respect to all other Registrable Securities owned by such transferring Holder.

(c) Upon the request of the transferring Holder, the Company shall execute an agreement with a Permitted Transferee substantially similar to this Agreement.

12. Miscellaneous.

(a) Injunctions. Each party acknowledges and agrees that irreparable damage would occur in the event that any of the provisions of this Agreement was not performed in accordance with its specific terms or was otherwise breached. Therefore, each party shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court having jurisdiction, such remedy being in addition to any other remedy to which such party may be entitled at law or in equity.

(b) Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and each of the parties shall use its best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.

(c) Further Assurances. Subject to the specific terms of this Agreement, each of the parties hereto shall make, execute, acknowledge and deliver such other instruments and documents, and take all such other actions, as may be reasonably required in order to

effectuate the purposes of this Agreement and to consummate the transactions contemplated hereby.

(d) Waivers, etc. Except as otherwise expressly set forth in this Agreement, no failure or delay on the part of either party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. Except as otherwise expressly set forth in this Agreement, no modification or waiver of any provision of this Agreement nor consent to any departure therefrom shall in any event be effective unless the same shall be in writing and signed by an authorized officer of each of the parties, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given.

(e) Entire Agreement. This Agreement contains the final and complete understanding of the parties with respect to its subject matter. This Agreement supersedes all prior agreements and understandings between the parties, whether written or oral, with respect to the subject matter hereof. The paragraph headings contained in this Agreement are for reference purposes only, and shall not affect in any manner the meaning or interpretation of this Agreement

(f) Counterparts. For the convenience of the parties, this Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original but all of which together shall be one and the same instrument.

(g) Amendment. This Agreement may be amended only by a written instrument duly executed by an authorized officer of each of the parties.

(h) Notices. Unless expressly provided herein, all notices, claims, certificates, requests, demands and other communications hereunder shall be in writing and shall be deemed to be duly given (i) when personally delivered or (ii) if mailed registered or certified mail, postage prepaid, return receipt requested, on the date the return receipt is executed or the letter refused by the addressee or its agent or (iii) if sent by overnight courier which delivers only upon the signed receipt of the addressee, on the date the receipt acknowledgment is executed or refused by the addressee or its agent or (iv) if sent by facsimile or other generally accepted means of electronic transmission, on the date confirmation of transmission is received (provided that a copy of any notice delivered pursuant to this clause (iv) shall also be sent pursuant to clause (ii) or (iii)), addressed as follows or sent by facsimile to the following number (or to such other address or facsimile number for a party as it shall have specified by like notice):

(i) if to Zapata, to:

Zapata Corporation
1717 St. James Place, Suite 770
Houston, Texas 77056
Attention: Avram Glazer, Chief Executive Officer

with a copy to:

Mr. Avram Glazer
18 Stoney Clover Lane
Pittsford, New York 14534

(ii) if to the Company, to:

Omega Protein Corporation
1717 St. James Place, Suite 550
Houston, Texas 77056
Attention: Joseph L. von Rosenberg III, Chief Executive Officer and President

(iii) if to a Holder of Registrable Securities, to the name and address as the same appear in the security transfer books of the Company,

or to such other address as either party (or other Holders of Registrable Securities) may, from time to time, designate in a written notice in a like manner.

(i) Governing Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEVADA, WITHOUT REGARD TO THE CONFLICTS OF LAWS PRINCIPLES THEREOF.

(j) Assignment. Except as specifically provided herein, the parties may not assign their rights under this Agreement. The Company may not delegate its obligations under this Agreement.

(k) Conflicting Agreements. The Company shall not hereafter grant any rights to any person to register securities of the Company, the exercise of which would conflict with the rights granted to the Holders of the Registrable Securities under this Agreement. The Company shall not hereafter grant to any person demand registration rights permitting it to exclude the Holders from including Registrable Securities in a registration on behalf of such person on a basis more favorable than that set forth in Section 2(d) hereof with respect to the Holders.

IN WITNESS WHEREOF, Zapata and the Company have caused this Agreement to be duly executed by their authorized representative as of the date first above written.

ZAPATA CORPORATION

By:

Name: Avram Glazer
Title: Chief Executive Officer

OMEGA PROTEIN CORPORATION

By:

Name: Joseph L. von Rosenberg III
Title: Chief Executive Officer and President

EXHIBIT 10.5

SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT ("Sublease") is made as of the _____ day of April, 1998, among ZAPATA CORPORATION, a Delaware corporation ("Sublessor") and OMEGA PROTEIN CORPORATION, a Nevada corporation ("Subtenant").

R E C I T A L S:

A. By Lease Agreement, dated June 30, 1995 (as previously and hereafter amended from time to time, the "Primary Lease"), by and between Sublessor and Patriot Saint James I Investors, L.P., a Delaware limited partnership ("Landlord"), Landlord leased to Sublessor approximately 10,245 square feet at 1717 St. James Place Houston, Harris County, Texas (the "Demised Premises"), which, pursuant to an amendment, has been reduced to 6,707 square feet.

B. Sublessor and Subtenant desire that Sublessor sublease to Subtenant approximately 3,350 rentable square feet of Demised Premises ("Subleased Premises").

P R O V I S I O N S:

In consideration of the Recitals, the covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Sublessor and Subtenant hereby agree as follows:

ARTICLE 1
SUBLEASE OF SUBLEASED PREMISES

1.1 SUBLEASED PREMISES. Sublessor, in consideration of the rents, covenants, agreements and conditions herein set forth which Subtenant hereby agrees shall be paid, kept and performed, does hereby sublease unto Subtenant, and Subtenant does hereby rent and sublease from Sublessor, the Subleased Premises, subject to all encumbrances and other matters affecting the Subleased Premises.

1.2 HABENDUM CLAUSE. To have and to hold the Subleased Premises, together with all and singular the rights and privileges appurtenant thereunto attaching or in anywise belonging, exclusively unto Subtenant and its successors and assigns (to the extent permitted herein), for the term set forth in Article 2 hereof, subject to termination as herein provided and all encumbrances and other matters affecting the Subleased Premises and subject to and upon the covenants, agreements, terms, provisions and limitations herein set forth.

ARTICLE 2
TERM

The term of this Sublease shall commence on the date of the Closing of Subtenant's initial public offering of its common stock. The date upon which the term of this Sublease commences shall be herein called the "Commencement Date." This Sublease shall terminate, unless sooner terminated pursuant to the provisions hereof, on the earlier of (i) termination of the Primary Lease (unless such termination was caused by a default by Subtenant under this Sublease) or (ii) termination of Sublessor's right to possession of the Demised Premises under the Primary Lease (unless such termination was caused by a default by Subtenant under this Sublease).

ARTICLE 3
RENT

The rent for the Subleased Premises shall be payable in advance on the Commencement Date and on the first day of each month thereafter throughout the term of this Sublease. Each monthly installment shall be in the amount of the Sublessor's total monthly rental payments under the Primary Lease multiplied by a fraction, the numerator of which is the square footage within the Subleased Premises and the denominator of which is the total square footage of the Demised Premises under the Primary Lease. Such rent shall include any and all adjustments and escalation payments Sublessor is obligated to pay under the Primary Lease. All unpaid rent under the Sublease shall be due upon termination of this Sublease. The rent payable hereunder shall be payable to Sublessor, without notice or demand and without deduction, abatement or setoff, in lawful money of the United States, at the address of Sublessor set forth in the notice provision of this Sublease. If the Commencement Date or the last date of the term of this Sublease should be on any day other than the first or last date of a calendar month, respectively, then the rent for such month shall be made on a pro rata basis for the part of such month included within the term of this Sublease. All past due installments of rent shall bear interest at the rate which applies to past due payments in the Primary Lease and be subject to a late charges in the amount provided in the Primary Lease.

ARTICLE 4
ADDITIONAL EXPENSES; SERVICES; PARKING

4.1 ADDITIONAL EXPENSES. In addition to paying rent as set forth in Article 3, Subtenant shall pay its pro rata share of any additional costs and expenses incurred by Sublessor under the Primary Lease or otherwise relating to the Demised Premises as a whole, and shall pay all of any additional costs and expenses (such as overtime air conditioning or heat) incurred by Sublessor with respect to the Subleased Premises. Any such sums shall be due within five (5) days of the date of an invoice therefor submitted by the Sublessor to Subtenant.

4.2 PHONE SYSTEM. Subtenant currently utilizes Sublessor's telephone system and related equipment. During the Term, Subtenant shall be permitted to continue to use such

phone system and related equipment and shall pay Sublessor therefor with each rent payment hereunder a monthly fee equal to fifty percent (50%) of the costs incurred by the Sublessor to own, lease and/or operate such phone system payable with each rent payment hereunder. Such equipment shall remain the property of Sublessor, and shall be returned to Sublessor upon termination of this Sublease. In the event Subtenant requires additional phone equipment during the Term, such equipment shall be acquired directly by Subtenant at Subtenant's cost, which additional equipment shall be the property of Subtenant. Subtenant shall pay, within five (5) days of invoice, all long distance charges incurred by Subtenant billed to Sublessor, and Subtenant's pro rata share, based on the number of phone extensions allocated to Sublessor, of local phone charges billed to Sublessor.

4.3 PARKING. Subtenant shall be entitled to the use of one-half of the reserved parking spaces assigned to the Demised Premises. Subtenant shall not be required to pay any additional fees for the use of such parking spaces.

ARTICLE 5
USE OF PREMISES; CONSTRUCTION OF IMPROVEMENTS

5.1 USE OF SUBLEASED PREMISES AND COMMON AREAS. The Subleased Premises shall be used by Subtenant solely for office space and for no other purposes. Subtenant will not suffer or permit the use of the Subleased Premises, or any part thereof, in any manner that would violate any provision of the Primary Lease. Subtenant agrees that its use of any common areas in or about the building will not interfere with Sublessor's use thereof, and that Subtenant will not do or permit to be done any act which would prohibit or hinder Sublessor's use thereof.

5.2 CONSTRUCTION OF IMPROVEMENTS. Subtenant shall make no alterations, installations, additions or improvements in or to the Subleased Premises without the prior written consent of Sublessor and, if required under the Primary Lease, the Landlord. Any such alterations, installations,additions or improvements shall be made at Subtenant's sole cost and expense, must be made in compliance with the terms of the Primary Leases, and may only be made by persons authorized pursuant to the terms of the Primary Leases. The removal of such alterations, installations, additions or improvements upon termination of this Sublease shall be governed by the provisions of Article 10 of this Sublease.

ARTICLE 6
ASSUMPTION AGREEMENT AND COVENANTS

6.1 OBSERVANCE OF PRIMARY LEASE PROVISIONS. The Subtenant agrees with Sublessor to fully and timely observe all of the provisions of the Primary Lease respecting the Subleased Premises which are to be observed during the term hereof by the Sublessor as tenant under the Primary Lease. None of the rights, titles or interests of Sublessor under the Primary Leases are assigned to Subtenant.

6.2 SUPERIOR MATTERS. This Sublease, and all of Subtenant's rights and estates hereunder, are and shall always be subject and subordinated to the Primary Lease and all encumbrances and other matters affecting the building in which the Demised Premises is situated and the land on which such building is located. Subtenant acknowledges that it is familiar with the provisions of the Primary Lease.

ARTICLE 7
LIMITATION OF LIABILITY AND INDEMNITY

7.1 INDEMNITY. Except for injury to any person, or damage to the property of any person, proximately caused by the Sublessor or agents or employees of Sublessor, Subtenant shall indemnify and save Sublessor and its agents and employees harmless from and against all claims (including attorneys' fees and court costs) arising from any act or omission of Subtenant or Subtenant's agents, employees or contractors, or arising from any injury to any person or damage to the property of any person occurring during the term of this Sublease in or about the Demised Premises, including the Subleased Premises. Subtenant agrees to use and occupy the Subleased Premises at its own risk and hereby releases Sublessor, and agents or employees of Sublessor from all claims for any damage or injury to the full extent permitted by law, unless such damage or injury is proximately caused by the Sublessor or the agents or employees of Sublessor.

7.2 INSURANCE. Subtenant shall secure and maintain in force comprehensive general liability insurance, including contractual liability specifically applying to the provisions of this Sublease and completed operations liability for reasonable and appropriate limits with respect to bodily injury or death to any number of persons in any one accident or occurrence and with respect to property damage in any one accident or occurrence. All insurance maintained in accordance with the provisions of this Section 7.2 shall be issued by reputable insurance companies. If Subtenant fails to maintain such insurance, Sublessor, at its election but without obligation to do so, may procure such insurance as may be necessary to comply with these requirements, and Subtenant agrees to repay the cost of same to Sublessor on demand, with interest thereon at the maximum rate permitted by law from the date of expenditure until paid.

7.3 CASUALTY OR CONDEMNATION. If the Subleased Premises are damaged by fire or other casualty or are condemned or taken in any manner for a public use, and this Sublease and the Primary Lease are not terminated as a result of such occurrence, it shall be solely the obligation of Landlord pursuant to the terms of the Primary Lease, and not of Sublessor, to repair, restore or rebuild the Subleased Premises, and Subtenant shall not be entitled to any award for any such condemnation.

ARTICLE 8
CONDITION OF SUBLEASED PREMISES

Subtenant shall accept possession of the Subleased Premises, and the fixtures and appurtenances therein, on the Commencement Date in its then present condition. Accordingly, Sublessor shall have no obligation what so ever to make or construct any

improvements within the Subleased Premises. Subtenant shall maintain the Subleased Premises, and the fixtures and appurtenances therein, in good order, repair and condition at all times.

ARTICLE 9
[INTENTIONALLY OMITTED]

ARTICLE 10
FURNITURE AND FIXTURES

Subtenant may from time to time, and shall at the termination of this Sublease, remove its trade fixtures, office supplies and movable office furniture and equipment not attached to the Subleased Premises provided: (a) Subtenant is not in default of any obligation or covenant under this Sublease at the time of such removal; and (b) Subtenant promptly repairs all damage caused by such removal. All other property at the Subleased Premises and any alteration, installation, addition or improvement in or to the Subleased Premises (including wall-to-wall carpeting, paneling or other wall covering) and any other article attached or affixed to the floor, walls or ceiling of the Subleased Premises shall remain the property of Sublessor and shall remain upon and be surrendered with the Subleased Premises as part thereof at the termination of this Sublease (or at the termination of Subtenant's right to possession of the Subleased Premises), Subtenant hereby waiving all rights to any payment or compensation therefor.

ARTICLE 11
EVENTS OF DEFAULT AND REMEDIES

11.1 EVENTS OF DEFAULT. Each of the following acts or omissions of Subtenant or occurrences shall constitute an "Event of Default":

(a) Failure by Subtenant to pay rent or any other sum payable hereunder within ten (10) days after receiving written notice from the Sublessor that such payment is past due hereunder;

(b) Failure to perform or observe any other covenant or condition of this Sublease by Subtenant to be performed or observed within ten (10) days after receiving written notice from Sublessor of its failure to perform or observe any such covenant;

(c) Abandonment or vacating of the Subleased Premises or any significant portion thereof;

(d) The filing or execution or occurrence of any of the following; provided, however, in the case of any such filing or execution or occurrence which is involuntary with respect to Subtenant, such filing or execution or occurrence is not vacated within thirty (30)

days after the occurrence thereof: a petition in bankruptcy or other insolvency proceeding by or against Subtenant; or petition or answer seeking relief under any provision of the United States Bankruptcy Code, or an assignment for the benefit of creditors or composition, or a petition or other proceeding by or against the Subtenant for the appointment of a trustee, receiver or liquidator of Subtenant or any property of Subtenant or a proceeding by any government authority for the dissolution or liquidation of Subtenant; or

(e) The termination or any occurrence giving rise to a right of termination of any of the Primary Lease or termination of Sublessor's right to possession or any occurrence giving rise to a right of termination of possession of the Demised Premises under the Primary Lease caused (in whole or in part) by the default of Subtenant under this Sublease.

11.2 REMEDIES. This Sublease and the term and estate hereby granted and the demise hereby made are subject to the limitation that if and whenever any Event of Default shall occur, and so long as such Event of Default remains uncured, Sublessor may, at its option, in addition to all other rights and remedies given hereunder or by law or equity, do either of the following:

(a) Terminate this Sublease, in which event Subtenant shall immediately surrender possession of the Subleased Premises to Sublessor; or

(b) Enter upon and take possession of the Subleased Premises and remove Subtenant and all other occupants therefrom, with or without having terminated the Sublease.

11.3 LIABILITY OF SUBTENANT UPON TERMINATION.

(a) If Sublessor elects to terminate this Sublease by reason of an Event of Default, then, notwithstanding such termination, Subtenant shall be liable for and shall pay to Sublessor the sum of all rent and other indebtedness accrued to the date of such termination, plus, as damages, an amount equal to the then present value of the rent reserved hereunder for the remaining portion of the term of this Sublease (had such term not been terminated by Sublessor prior to the date of expiration stated in Article 2), less the then present value of the fair rental value of the Subleased Premises for such period. All present values shall be based on a three percent (3%) per annum discount rate.

(b) If Sublessor elects to terminate this Sublease by reason of an Event of Default, in lieu of exercising the rights of Sublessor under the preceding subparagraph, Sublessor may instead hold Subtenant liable for all rent and other indebtedness accrued to the date of such termination, plus such rent and other indebtedness as would otherwise have been required to be paid by Subtenant to Sublessor during the period following termination of the term of this Sublease measured from the date of such termination by Sublessor until the date of expiration stated in Article 2 (had Sublessor not elected to terminate this Sublease on account of such Event of Default) diminished by any "Net Sums"(as hereinafter defined) thereafter received by Sublessor through reletting the Subleased Premises during said period. Actions to collect amounts due by Subtenant provided for in this Section may be brought from

time to time by Sublessor during the aforesaid period, on one or more occasions, without the necessity of Sublessor's waiting until expiration of such period; and in no event shall Subtenant be entitled to any excess of rent (or rent plus other sums) obtained by releting over and above the rent provided for in this Sublease. As used herein, the term "Net Sums" refers to all rent, if any,received by Sublessor through releting the Subleased Premises following termination of this Sublease or termination of Subtenant's right to possession of the Subleased Premises, reduced by any expenses incurred by Sublessor as provided in Section 11.5.

11.4 LIABILITY OF SUBTENANT UPON REPOSSESSION. If Sublessor elects to repossess the Subleased Premises without terminating this Sublease,then Subtenant shall be liable for and shall pay to Sublessor all rent and other indebtedness accrued to the date of such repossession, plus rent required to be paid by Subtenant to Sublessor during the remainder of the term of this Sublease (had such term not been terminated by Sublessor prior to the date of expiration stated in Article 2), diminished by any Net Sums there after received by Sublessor through releting the Subleased Premises during said period. In no event shall Subtenant be entitled to any excess of any rent obtained by releting over and above the rent herein reserved. Actions to collect amounts due by Subtenant as provided in this Section 11.5 may be brought from time to time, on one or more occasions, without the necessity of Sublessor's waiting until the expiration of the term of this Sublease.

11.5 ADDITIONAL OBLIGATIONS OF SUBTENANT UPON DEFAULT. In case of an Event of Default, Subtenant shall also be liable for and shall pay to Sublessor, in addition to any sum provided to be paid above, (a) broker's fees incurred by Sublessor in connection with releting the whole or any part of the Subleased Premises; (b) the cost of removing and storing Subtenant's or other occupants' property; (c) the cost of repairing the Subleased Premises into the condition called for by the terms of this Sublease; and (d) all expenses incurred by Sublessor in enforcing Sublessor's remedies, including reasonable attorneys' fees.

11.6 SUBLESSOR'S RIGHT TO REMEDY DEFAULTS. If Subtenant should fail to make any payment or cure any default hereunder within the time herein permitted, Sublessor, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such other default for the account of Subtenant (and enter the Subleased Premises for such purpose), and thereupon Subtenant shall be obligated to, and hereby agrees to, pay Sublessor, upon demand, all costs, expenses and disbursements (including reasonable attorneys' fees) incurred by Sublessor in taking such remedial action together with interest on all such sums at the highest non-usurious rate permitted by law from the date of such demand until payment.

11.7 TENANT'S REMEDIES. In the event of any default by Sublessor, Subtenant shall be entitled to bring an action for damages and/or for declaratory or injunctive relief (in addition to any other relief or remedies that it may have at law or in equity), but prior to any such action Subtenant will give Sublessor written notice specifying such default with particularity, and Sublessor shall thereupon have ten (10) days (plus such additional reasonable period as may be required in the exercise by Sublessor of due diligence) in which to cure any such default. Unless and until Sublessor fails to so cure any default after such

notice, Subtenant shall not have any remedy or cause of action by reason thereof. All obligations of Sublessor hereunder will be construed as covenants, not conditions; and all such obligations will be binding upon Sublessor only during the period of its possession of the Subleased Premises and not thereafter.

ARTICLE 12
MISCELLANEOUS PROVISIONS

12.1 TEXAS LAW TO APPLY. THIS SUBLEASE SHALL BE CONSTRUED UNDER AND IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, AND ALL OBLIGATIONS OF THE PARTIES CREATED HEREUNDER ARE PERFORMABLE IN HARRIS COUNTY,TEXAS.

12.2 PARTIES BOUND. This Sublease shall be binding on and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns.

12.3 LEGAL CONSTRUCTION. In case any one or more of the provisions contained in this Sublease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof and this Sublease shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

12.4 PRIOR AGREEMENTS SUPERSEDED. This Sublease constitutes the sole and only agreement of the parties hereto with respect to the Subleased Premises and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter.

12.5 NONWAIVER. Neither acceptance of rent by Sublessor nor failure by Sublessor to complain of any action, non-action or default of Subtenant shall constitute a waiver of any of Sublessor's rights hereunder. Waiver by Sublessor of any right for any default of Subtenant shall not constitute a waiver of any right for either a subsequent default of the same obligation or any other default. Receipt by Sublessor of Subtenant's keys to the Subleased Premises shall not constitute an acceptance of surrender of the Subleased Premises. Failure by Subtenant to complain of any action, non-action or default by Sublessor shall not constitute a waiver of any of Subtenant's rights hereunder. Waiver by Subtenant of any right for any default of Sublessor shall not constitute a waiver of any right for either a subsequent default of the same obligation or any other default.

12.6 BROKERS. Each party hereto acknowledges that no broker has been employed with respect to this Sublease. Sublessor hereby agrees to defend, indemnify and hold harmless Subtenant, and Subtenant hereby agrees to defend, indemnify and hold harmless Sublessor, from and against any claim by third parties for brokerage, commission, finder's or other fees relative to this Sublease or the subleasing of the Subleased Premises to Subtenant, and any court costs, attorneys' fees or other costs or expenses arising therefrom, which are alleged to be due by authorization of the indemnifying party.

12.7 NOTICES. Any notice provided or permitted to be given under this Sublease must be in writing and may be served (i) by depositing same in the United States mail, addressed to the party to be notified, postage prepaid and registered or certified with return receipt requested; (ii) by delivering the same in person to such party; or (iii) by prepaid telegram or telex. Notice shall be effective upon receipt. For purposes of notice, the addresses of the parties shall be as follows:

If to Sublessor: Zapata Corporation
1717 St. James Place, Suite 550
Houston, Texas 77210
Attention: Avram Glazer, Chief Executive Officer

with a copy to:

Mr. Avram Glazer
18 Stoney Clover Lane
Pittsford, New York 14534

If to Subtenant: Omega Protein, Inc.
1717 St. James Place, Suite 550
Houston, Texas 77210
Attention: Joseph L. von Rosenberg III, Chief Executive Officer and President

Either party may change its address for notice by giving written notice thereof to the other party in accordance with the foregoing provisions of this Section 11.8.

12.8 SURRENDER OF SUBLEASED PREMISES. Upon termination or expiration of this Sublease for any reason whatsoever, Subtenant shall peaceably quit, deliver up and surrender the Subleased Premises to Sublessor (i) free of all claims and encumbrances and (ii) in good order, repair and condition and in the same condition as the Subleased Premises will be on the Commencement Date, ordinary wear and tear excepted. Upon such termination or expiration, Sublessor may, without further notice, enter upon, re-enter and repossess itself of the Subleased Premises by force, summary proceedings, ejectment or otherwise, and may dispossess or remove Subtenant from the Subleased Premises.

12.9 NO PARTNERSHIP. This Sublease shall create a landlord-tenant relationship only between Sublessor and Subtenant. In no event shall this Sublease create or be deemed to create a partnership, joint venture or any other type of relationship.

12.10 NO FILING OF LEASE OR MEMORANDUM. Neither this Sublease nor any memorandum hereof shall be filed for record without the written consent of Sublessor, Landlord and Subtenant.

IN WITNESS WHEREOF as of the first day written above, but effective as of the Commencement Date.

OMEGA PROTEIN CORPORATION

By:

Name:
Title:

ZAPATA CORPORATION

By:

Name:
Title: