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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2004

OR

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

COMMISSION FILE NUMBER: 1-4219

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

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] or No [ ].

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

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

ZAPATA CORPORATION

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PART I -- FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS AND NOTES

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

	MARCH 31, 2004 (UNAUDITED)	DECEMBER 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 56,233	$ 43,934
Short-term investments	29,427	29,351
Accounts receivable, net	59,658	58,011
Inventories, net	56,157	63,957
Prepaid expenses and other current assets	5,586	6,045
Total current assets	207,061	201,298
Investments and other assets:		
Intangible assets, net	7,573	8,121
Other assets	23,461	23,925
Total investments and other assets	31,034	32,046
Property, plant and equipment, net	124,763	125,695
Total assets	$ 362,858	$ 359,039
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 5,352	$ 5,780
Accounts payable	25,191	27,935
Accrued and other current liabilities	28,385	27,278
Total current liabilities	58,928	60,993
Long-term debt	31,669	29,422
Pension liabilities	7,850	7,687
Other liabilities and deferred taxes	10,418	9,698
Minority interest	72,881	68,702
Total liabilities	181,746	176,502
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par; 200,000 shares authorized; none issued or outstanding	--	--
Preference stock, $.01 par; 1,800,000 shares authorized; none issued or outstanding	--	--
Common stock, $0.01 par, 16,500,000 shares authorized, 3,070,325 shares issued and 2,391,315 shares outstanding	31	31
Capital in excess of par value	160,963	163,490
Retained earnings	52,906	51,108
Treasury stock, at cost, 679,010 shares	(31,668)	(31,668)
Accumulated other comprehensive loss	(1,120)	(424)
Total stockholders' equity	181,112	182,537
Total liabilities and stockholders' equity	$ 362,858	$ 359,039

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

ZAPATA CORPORATION

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	THREE MONTHS ENDED MARCH 31, 2004	THREE MONTHS ENDED MARCH 31, 2003
Revenues	$ 94,287	$ 25,101
Cost of revenues	79,136	18,679
Gross profit	15,151	6,422
Operating expenses:		
Selling, general and administrative	9,587	3,676
Total operating expenses	9,587	3,676
Operating income	5,564	2,746
Other income (expense):		
Interest (expense) income, net	(313)	121
Other, net	(276)	21
	(589)	142
Income before income taxes and minority interest	4,975	2,888
Provision for income taxes	(2,330)	(1,089)
Minority interest in net income of consolidated subsidiaries	(847)	(1,049)
Net income to common stockholders	$ 1,798	$ 750
Earnings per share	$ 0.75	$ 0.31
Weighted average common shares outstanding:		
Basic	2,391	2,391
Diluted	2,411	2,401

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

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

	THREE MONTHS ENDED MARCH 31, 2004	THREE MONTHS ENDED MARCH 31, 2003
Cash flows from operating activities:		
Net income	$ 1,798	$ 750
Adjustments to reconcile net income to common stockholders to net cash provided by operating activities:		
Depreciation and amortization	6,097	2,978
Loss (gain) on disposal of assets	33	(77)
Provisions for losses on receivables	8	44
Minority interest in net income of consolidated subsidiaries	847	1,049
Deferred income taxes	277	1,084
Changes in assets and liabilities:		
Accounts receivable	(1,653)	3,387
Inventories	7,802	3,703
Prepaid expenses and other current assets	(524)	5
Accounts payable	(2,719)	(346)
Pension liabilities	163	353
Accrued liabilities and other current liabilities	1,578	(1,086)
Other assets and liabilities	1,137	(1,627)
Total adjustments	13,046	9,467
Net cash provided by operating activities	14,844	10,217
Cash flows from investing activities:		
Proceeds from disposition of assets	--	83
Purchase of short-term investments	(29,427)	(78,156)
Proceeds from maturities of short-term investments	29,351	35,832
Capital expenditures	(5,207)	(3,526)
Net cash used in investing activities	(5,283)	(45,767)
Cash flows from financing activities:		
Proceeds from borrowings	3,222	--
Principal payments of short- and long-term obligations	(1,252)	(309)
Proceeds from stock option exercises	821	210
Net cash provided by (used in) financing activities	2,791	(99)
Effect of exchange rate changes on cash and cash equivalents	(53)	--
Net increase (decrease) in cash and cash equivalents	12,299	(35,649)
Cash and cash equivalents at beginning of period	43,934	80,643
Cash and cash equivalents at end of period	$ 56,233	$ 44,994

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

ZAPATA CORPORATION
NOTES TO UNAUDITED CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF OPERATIONS AND BASIS OF PRESENTATION

The unaudited condensed consolidated financial statements included herein have been prepared by Zapata Corporation ("Zapata" or the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission. The financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of such information. All such adjustments are of a normal recurring nature. Although Zapata believes that the disclosures are adequate to make the information presented not misleading, certain information and footnote disclosures, including a description of significant accounting policies normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America, have been condensed or omitted pursuant to such rules and regulations. These financial statements should be read in conjunction with the financial statements and the notes thereto included in Zapata's 2003 Annual Report on Form 10-K filed with the Securities and Exchange Commission and with the information presented by Safety Components International, Inc., Omega Protein Corporation and Zap.Com Corporation in their 2003 Annual Reports or Transition Reports on Form 10-K. The results of operations for the three month period ended March 31, 2004 are not necessarily indicative of the results for any subsequent quarter or the entire fiscal year ending December 31, 2004.

BUSINESS DESCRIPTION

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

Zapata Corporation is a holding company which currently has two operating companies, Safety Components International, Inc. ("Safety Components" or "Safety") and Omega Protein Corporation ("Omega Protein" or "Omega"). As of March 31, 2004, Zapata had an 80% ownership interest in Safety and a 59% ownership interest in Omega. In addition, Zapata owns 98% of Zap.Com Corporation ("Zap.Com"), a public shell company.

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

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

Zap.Com is a public shell company which does not have any existing business operations. Zap.Com is likely to search for assets or businesses that it can acquire so that it can become an operating company. Zap.Com may also consider developing a new business suitable for its situation. Zap.Com trades on the over-the-counter electronic bulletin board under the symbol "ZPCM."

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

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

INCOME TAXES

Zapata and Omega each file a separate consolidated U.S. federal income tax return. Zapata's consolidated U.S. federal income tax return includes subsidiaries in which Zapata owns in excess of 80% of the voting interests. On or about April 1, 2004, Zapata's stock ownership percentage of Safety Components outstanding stock decreased below 80% (approximately 79.9%) due to stock option exercises by Safety Component's employees. As a result of Zapata's ownership of Safety Components outstanding stock falling below 80%, as of April 1, 2004, Zapata will no longer consolidate Safety Components into Zapata's consolidated income tax returns. Safety will be consolidated into Zapata's tax filing group for the fourth calendar quarter of 2003 and the first calendar quarter of 2004. Zap.Com is included in Zapata's consolidated U.S. federal income tax return.

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

STOCK-BASED COMPENSATION

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

	THREE MONTHS ENDED MARCH 31, 2004 (UNAUDITED)	THREE MONTHS ENDED MARCH 31, 2003 (UNAUDITED)
	(IN THOUSANDS)	
Net income, as reported	$ 1,798	$ 750
Deduct: Total stock-based employee compensation expense determined under fair value based method for all awards, net of tax effects:		
Zapata Corporate	33	12
Safety Components	--	--
Omega Protein	47	116
Zap.Com	--	--
Total pro forma expense	80	128
Pro forma net income	$ 1,718	$ 622
Earnings per share:		
Basic - as reported	$ 0.75	$ 0.31
Basic - pro forma	$ 0.72	$ 0.26
Diluted - as reported	$ 0.75	$ 0.31
Diluted - pro forma	$ 0.71	$ 0.26

NOTE 3. INVENTORIES

Inventories are summarized as follows:

	MARCH 31, 2004	DECEMBER 31, 2003
	(IN THOUSANDS)	
SAFETY COMPONENTS:		
Raw materials	$ 5,104	$ 6,273
Work-in-process	7,198	7,089
Finished goods	10,732	10,190
Total Safety Components inventory	$ 23,034	$ 23,552
OMEGA PROTEIN:		
Fish meal	$ 8,485	$ 21,963
Fish oil	2,038	7,666
Fish solubles	354	600
Off season cost	17,633	5,348
Other materials and supplies	4,613	4,828
Total Omega Protein inventory	$ 33,123	$ 40,405
Total consolidated inventory	$ 56,157	$ 63,957

NOTE 4. DEBT

Long-term debt consisted of the following:

	MARCH 31, 2004	DECEMBER 31, 2003
	(IN THOUSANDS)	
SAFETY COMPONENTS:		
Congress revolving credit facility due on October 8, 2006, interest at a variable rate of 4.0 % at March 31, 2004 and December 31, 2003	$ 7,856	$ 4,628
Congress Term A loan, due on October 8, 2006, interest at a variable rate of 4.0 % at March 31, 2004 and December 31, 2003	3,960	4,176
KeyCorp equipment note due August, 2005, interest rate of 1.3% over LIBOR	2,282	2,690
HBV Bank Czech Republic mortgage note due March, 2007, interest rate of 1.7% over EURIBOR	3,142	3,509
Capital equipment notes payable, with various interest rates ranging from 7.6% to 10.0%, maturing at various dates through March 2008	982	1,028
Total Safety Components' debt	18,222	16,031
Less: current maturities	(3,749)	(4,214)
	$ 14,473	$ 11,817
OMEGA PROTEIN:		
U.S. Government guaranteed obligations (Title XI loan) collateralized by a first lien on certain vessels and certain plant assets:		
Amounts due in installments through 2016, interest from 5.7% to 7.6%	$ 18,296	$ 18,658
Amounts due in installments through 2014, interest at Eurodollar rates (1.6% at March 31, 2004 and December 31, 2003, plus 4.5%) respectively, plus 4.5%	441	441
Other debt at 7.9% at March 31, 2004 and December 31, 2003	62	72
Total Omega Protein's debt	18,799	19,171
Less: current maturities	(1,603)	(1,566)
	$ 17,196	$ 17,605
Total consolidated long-term debt	$ 31,669	$ 29,422

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

SAFETY COMPONENTS

Safety has a credit facility with Congress Financial Corporation (Southern), a subsidiary of Wachovia Bank, National Association ("Congress"). Safety has an aggregate, $35.0 million revolving credit facility with Congress (the "Congress Revolver") expiring October 8, 2006. Under the Congress Revolver, Safety may borrow up to the lesser of (a) $35.0 million or (b) 85% of eligible accounts receivable, plus 60% of eligible finished goods, plus 50% of eligible raw materials. The amount borrowed under the Congress Revolver at March 31, 2004 was $7.9 million. The Congress Revolver also includes a $5.0 million letter of credit facility, under which Safety had $497,000 outstanding pursuant to letters of credit at March 31, 2004.

In addition, Safety has a term facility with Congress (the "Congress Term A loan") under which $4.0 million was borrowed at March 31, 2004. The Congress Term A loan is payable in equal monthly installments of approximately $72,000, with the unpaid principal amount due on October 8, 2006. Additional amounts are not available for borrowing under the Congress Term A loan. In addition to the Congress Revolver and Congress Term A, Safety also has an additional $4.5 million term loan (the "Congress Term B loan" and, collectively with the Congress Revolver and the Congress Term A loan, the "Congress Facilities") which is undrawn and is currently fully available. At March 31, 2004, Safety's availability for additional borrowings (based on the maximum allowable limit) under the Congress Revolver and the Congress Term B loan was approximately $27.2 million.

The interest rate on the Congress Revolver and Congress Term A loan is variable, depending on the amount of Safety's Excess Availability (as defined in the Congress Facilities) at any particular time and the ratio of Safety's EBITDA, less certain capital expenditures made by Safety, to certain fixed charges of Safety (the "Fixed Charge

Coverage Ratio"). Safety may make borrowings based on the prime rate as described in the Congress Facilities (the "Prime Rate") or the LIBOR rate as described in the Congress Facilities, in each case with an applicable margin applied to the rate. The Congress Term B loan bears interest at the Prime Rate plus 3%. At March 31, 2004, the margin on Prime Rate loans was 0.0% and the margin on LIBOR rate loans was 2.0%. Safety is required to pay a monthly unused line fee of 0.25% on the unutilized portion of the Congress Revolver and a monthly fee equal to 1.75% per annum of the amount of any outstanding letters of credit.

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

The Congress Facilities also impose limitations upon Safety's ability to, among other things, incur indebtedness (including capitalized lease arrangements); become or remain liable with respect to any guaranty; make loans; acquire investments; declare or make dividends or other distributions; merge, consolidate, liquidate or dispose of assets or indebtedness; incur liens; issue capital stock; or change its business. At March 31, 2004, Safety was in compliance with all financial and non-financial covenants. Substantially all assets of Safety are pledged as collateral for the borrowings under the Congress Facilities.

OMEGA PROTEIN

Omega was initially authorized to receive up to $20.6 million in loans under the Title XI program, and has borrowed the entire amount authorized under such program. The Title XI loans are secured by liens on certain of Omega's fishing vessels and mortgages on Omega's Reedville, Virginia and Abbeville, Louisiana plants. Loans are now available under similar terms pursuant to the Title XI program without intervening lenders.

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

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

NOTE 5. EARNINGS PER SHARE INFORMATION

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

	FOR THE THREE MONTHS ENDED MARCH 31,					
	2004			2003		
	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT	INCOME	WEIGHTED AVERAGE SHARES	PER SHARE AMOUNT
Basic income per common share	$1,798	2,391	$ 0.75	$ 750	2,391	$ 0.31
Effect of dilutive stock options		20			10	
Diluted earnings per common share	$1,798	2,411	$ 0.75	$ 750	2,401	$ 0.31

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

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2004	2003
Potential common shares excluded from the calculation of diluted earnings per share:		
Stock options	2	119
Weighted average price per share	$ 87.50	$ 46.92

NOTE 6. COMPREHENSIVE INCOME

The components of other comprehensive income are as follows:

	THREE MONTHS ENDED MARCH 31,	
	2004 (UNAUDITED)	2003 (UNAUDITED)
	(IN THOUSANDS)	
Net income	$ 1,798	$ 750
Currency translation adjustment, net of tax effects	(721)	(8)
Reclassification adjustment for losses in net income	124	--
	$ 1,201	$ 742

NOTE 7.

LITIGATION

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

ENVIRONMENTAL MATTERS

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

CAPITAL COMMITMENTS

Omega Protein has committed approximately $17 million to build a new 100 metric ton per day fish oil processing facility at its Reedville, Virginia location. As of March 31, 2004, Omega has incurred $8.5 million related to its Reedville processing facility.

GUARANTEES

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

Zapata's articles of incorporation, bylaws and certain other agreements contain indemnification clauses for its officers, directors and certain consultants for losses incurred as a result of claims made against such individuals arising out of, or because of their service to the Company. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, Zapata maintains Director and Officer Liability insurance that limits this exposure. As a result of this insurance coverage, it is the opinion of Zapata's management that the estimated fair value of any liabilities under these indemnification agreements is minimal and should not materially impact the Company's financial position, results of operations or cash flows. These indemnification obligations were in effect prior to December 31, 2002 and are therefore grandfathered under the provisions of FIN No. 45. Accordingly, no liabilities have been recorded for the indemnification clauses in these agreements.

During February 2003, Zapata's directors and officers entered into indemnification agreements with the Company. These agreements provide additional rights to persons entitled to indemnification that is currently provided under the Company's Articles of Incorporation and By-laws and will protect the officers and directors from losses incurred as a result of claims made against such individuals arising out of, or because of their service to the Company. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, Zapata maintains Director and Officer Liability insurance to limit potential exposure. As a result of this insurance coverage, it is the opinion of Zapata's management that the estimated fair value of any liabilities under these indemnification agreements is minimal and accordingly, no liabilities have been recorded under the provisions of FIN 45.

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

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

NOTE 8. RELATED PARTY TRANSACTIONS

SAFETY COMPONENTS

Zapata and Omega each file a separate consolidated U.S. federal income tax return. Zapata's consolidated U.S. federal income tax return includes subsidiaries in which Zapata owns in excess of 80% of the voting interests. On or about April 1, 2004, Zapata's stock ownership percentage of Safety Components outstanding stock decreased below 80% (approximately 79.9%) due to stock option exercises by Safety Component's employees. As a result of

Zapata's ownership of Safety Components outstanding stock falling below 80%, as of April 1, 2004, Zapata will no longer consolidate Safety Components into Zapata's consolidated income tax returns. Safety will be consolidated into Zapata's tax filing group for the fourth calendar quarter of 2003 and the first calendar quarter of 2004 under a tax sharing and indemnity agreement included as Exhibit 10(s) to the Company's Annual Report on Form 10-K.

OMEGA PROTEIN CORPORATION

Upon completion of Omega's initial public offering in 1998, Omega and Zapata entered into certain agreements including the Administrative Services Agreement, which covers certain administrative services Omega provides to Zapata. The Administrative Services Agreement allows Omega to provide certain administrative services to Zapata at Omega's estimated cost. Zapata reimbursed Omega approximately $6,000 for the three months ended March 31, 2004 and 2003, for services provided under the plan.

Zapata and Omega also entered into a Sublease Agreement which provided for Omega to lease its principal corporate offices in Houston, Texas from Zapata Corporation of Texas, Inc., a non-operating wholly-owned subsidiary of Zapata, and provided Omega with the ability to utilize telephone equipment worth approximately $21,000 for no additional charge. In May 2003, Zapata Corporation of Texas, Inc. assigned the lease to Omega who assumed all obligations under the lease with the third party landlord.

ZAP.COM CORPORATION

Since its inception, Zap.Com has utilized the services of the Zapata's management and staff under a shared services agreement that allocated these costs on a percentage of time basis. Zap. Com also subleases its office space in Rochester, New York from Zapata. Under the sublease agreement, annual rental payments are allocated on a cost basis. Zapata has waived its rights under the shared services agreement to be reimbursed for these expenses since May 1, 2000. For the three months ended March 31, 2004 and 2003, approximately $4,000 and $3,000, respectively, was recorded as contributed capital for these services.

OTHER

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

For the three months ended March 31, 2004 and 2003, the Company incurred legal fees of approximately $0 and $17,000, respectively, related to a previously dismissed action against Malcolm I. Glazer, the Malcolm I. Glazer Family Limited Partnership, and Malcolm I. Glazer GP, Inc.

NOTE 9. RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

In December 2003, the Financial Accounting Standards Board ("FASB") revised Statement on Financial Accounting Standard ("SFAS") No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." It does not change the measurement or recognition of pension and other postretirement benefit plans. It requires additional disclosures to those in the original SFAS No. 132 about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. It also requires disclosure of the components of net periodic benefit cost in interim financial statements. The revised disclosure requirements are required for financial statements with fiscal years ending after December 15, 2003 and the interim-period requirements are effective for interim periods beginning after December 15, 2003. The adoption of this statement did not have an effect on the Company's financial position, results of operations or cash flows.

NOTE 10. QUALIFIED DEFINED BENEFIT PLANS

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

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

COMPONENTS OF NET PERIODIC BENEFIT COST

	FOR THE THREE MONTHS ENDED MARCH 31, 2004	2003
	(IN THOUSANDS)	
Service cost	$ 10	$ 7
Interest cost	651	696
Expected return on plan assets	(750)	(639)
Amortization of transition assets and other deferrals	335	440
Net periodic benefit cost	$ 246	$ 504

Omega previously disclosed in its financial statements for the year ended December 31, 2003 that it expected to contribute $939,000 to its pension plan in 2004. As of March 31, 2004, no contributions have been made and at this point in time, Omega anticipates no contributions in 2004 due to the enactment of the Pension Funding Equity Act of 2004. Additionally, as of March 31, 2004, Zapata has made no contributions to either of its plans and anticipates no contributions in 2004.

NOTE 11. DERIVATIVES AND HEDGING

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

Certain operating expenses at Safety's Mexican facilities are paid in Mexican pesos. To reduce exposure to fluctuations in the U.S. dollar and Mexican peso exchange rates, Safety entered into forward contracts on April 10, 2003 to buy Mexican pesos for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At March 31, 2004, Safety had no remaining forward exchange contracts to purchase Mexican pesos. Changes in the derivates' fair values are deferred and recorded in the balance sheet as a component of accumulated other comprehensive income ("AOCI"), until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of earnings as a cost of revenues. Safety reclassified all previously recorded derivative fair values in AOCI into earnings as of March 31, 2004. The net effect for the quarter ended March 31, 2004 is a credit to cost of goods sold of approximately $21,000.

Certain intercompany sales at Safety's Czech facility are denominated and settled in Euros. To reduce exposure to fluctuation in the Euro and Czech Koruna exchange rates, Safety entered into forward contracts to buy Czech Korunas on June 23, 2003 to buy Czech Korunas for periods and amounts consistent with the related, underlying forecasted cash inflows associated with the intercompany sales. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At March 31, 2004, Safety had no remaining forward exchange contracts to purchase Czech Korunas. Changes in the derivates' fair values are deferred and recorded in the balance sheet as a component of AOCI, until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of earnings as a component of intercompany sales. Safety reclassified all previously recorded derivative fair values in AOCI into earnings as of March 31, 2004. The net effect for the quarter ended March 31, 2004 is a charge to cost of goods sold of approximately $141,000.

NOTE 12. INDUSTRY SEGMENT AND GEOGRAPHIC INFORMATION

Since the acquisition of Safety Components in September 2003, all financial results from Safety are reported as a separate segment. Safety's results of operations have been included in the Company's consolidated amounts since the third quarter of 2003. Accordingly, total assets include amounts attributable to Safety as of March 31, 2004 and no such amounts are included as of March 31, 2003.

The following summarizes certain financial information of each segment for the three months ended March 31, 2004 and 2003:

	REVENUES	OPERATING INCOME (LOSS)	TOTAL ASSETS	DEPRECIATION AND AMORTIZATION	INTEREST (EXPENSE) INCOME, NET	INCOME TAX (PROVISION) BENEFIT	CAPITAL EXPENDITURES
THREE MONTHS ENDED MARCH 31, 2004							
Safety Components	$ 69,231	$ 5,731	$127,772	$ 3,044	$ (207)	$ (2,352)	$ 869
Omega Protein	25,056	1,212	182,807	3,039	(187)	(323)	4,338
Zap.Com	--	(42)	1,915	--	5	--	--
Corporate	--	(1,337)	50,364	14	76	345	--
	$ 94,287	$ 5,564	$362,858	$ 6,097	$ (313)	$ (2,330)	$ 5,207
THREE MONTHS ENDED MARCH 31, 2003							
Omega Protein	$ 25,101	$ 4,226	$180,992	$ 2,963	$ (154)	$ (1,446)	$ 3,526
Zap.Com	--	(30)	2,046	--	6	--	--
Corporate	--	(1,450)	102,699	15	269	357	--
	$ 25,101	$ 2,746	$285,737	$ 2,978	$ 121	$ (1,089)	$ 3,526

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

Forward-looking statements in this Form 10-Q, future filings by the Company with the Securities and Exchange Commission ("Commission"), the Company's press releases and oral statements by authorized officers of the Company are intended to be subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that all forward-looking statements involve risks and uncertainty, including without limitation those identified from time to time in press releases and other communications with stockholders by the Company and the filings made with the Commission by the Company, Omega Protein Corporation ("Omega Protein" or "Omega") and Zap.Com Corporation ("Zap.Com"), such as those disclosed under the caption "Significant Factors That Could Affect Future Performance and Forward-Looking Statements" appearing in Item 2 "Management's Discussion and Analysis of Financial Condition and Results of Operation" of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2003 filed with the Commission or elsewhere in this report. The Company believes that forward-looking statements made by it are based on reasonable expectations. However, no assurances can be given that actual results will not differ materially from those contained in such forward-looking statements. The Company assumes no obligation to update forward-looking statements or to update the reasons actual results could differ from those projected in the forward-looking statements.

GENERAL

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

Zapata is a holding company which currently has two operating companies, Safety Components International, Inc. ("Safety Components" or "Safety") and Omega Protein Corporation ("Omega Protein" or "Omega"). As of March 31, 2004, the Company had approximately an 80% ownership interest in Safety Components and a 59% ownership interest in Omega Protein. Safety Components trades on the over-the counter electronic bulletin board under the symbol "SAFY" and Omega Protein trades on the New York Stock Exchange under the symbol "OME." In addition, Zapata owns 98% of Zap.Com Corporation ("Zap.Com"), which is a public shell company and trades on the over-the-counter electronic bulletin board under the symbol "ZPCM."

ZAPATA CORPORATE

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

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

On or about April 1, 2004, Zapata's stock ownership percentage of Safety Components outstanding stock decreased below 80% (approximately 79.9%) due to stock option exercises by Safety Component's employees. As a result of Zapata's ownership of Safety Components outstanding stock falling below 80%, as of April 1, 2004, Zapata will no longer consolidate Safety Components into Zapata's consolidated income tax returns. Safety will be consolidated into Zapata's tax filing group for the fourth calendar quarter of 2003 and the first calendar quarter of 2004. In addition, the Tax Sharing and Indemnity Agreement is effective for all periods during which Zapata owned at least 80% of Safety Components common stock.

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

Zapata continues to explore ways to enhance Zapata stockholder value through its 59% owned consolidated subsidiary Omega Protein. Possible transactions include the sale, merger or another significant strategic transaction involving Omega, purchases of Omega stock through the open market or private transactions.

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

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

SAFETY COMPONENTS

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

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

OMEGA PROTEIN

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

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

The fish catch is processed into FAQ grade fish meal, specialty fish meals, fish oils and fish solubles at Omega's four operating plants located in Virginia, Mississippi and Louisiana. Omega utilized 40 fishing vessels and 34 spotter craft in the harvesting operations during 2003. Menhaden are harvested offshore the U.S. mid-Atlantic and Gulf of Mexico coasts. In 2000, Omega converted several of its fishing vessels to "carry vessels" which do not engage in active fishing but instead carry fish from Omega's offshore fishing vessels to its plants. Utilization of carry vessels increases the amount of time that certain of Omega's fishing vessels remain offshore fishing productive waters and therefore increases Omega's fish catch per vessel employed. The carry vessels have reduced crews and crew expenses and incur less maintenance cost then the actual fishing vessels.

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

Pricing for Omega's products has been volatile in the past several years and is attributable mainly to the international availability, or the perceived international availability, of fish meal and fish oil inventories. In an effort to reduce price volatility and to generate higher, more consistent profit margins, in fiscal 2000 Omega embarked on a quality control program designed to increase its capability of producing higher quality fish meal products and, in conjunction therewith, enhanced it sales efforts to penetrate premium product markets. Since March 2000, Omega's sales volumes of specialty meal products have increased approximately 18%. Future volumetric growth in specialty meal sales will be dependant upon increased harvesting efforts and market demand. Additionally, Omega is attempting to introduce its refined fish oil into the food market. Omega has made sales, which to date have not been material, of its refined fish oil, trademarked OmegaPure(TM), to food manufacturers in the United States and Canada at prices that provide substantially improved margins over the margins that can be obtained from selling non-refined crude fish oil. Omega cannot estimate, however, the size of the actual domestic or international markets for Omega Pure(TM) or how long it may take to develop these markets.

During 2002, Omega developed a business plan to expand its purchase and resale of other manufacturers' fish meal and fish oil products and engaged a full-time consultant to implement a business plan which focused initially on the purchase and resale of Mexican fish meal and fish oil. In 2002, revenues generated from these types of transactions represented less than 1% of total Company revenues. During 2003, Omega's fish catch and resultant product inventories were reduced, primarily due to adverse weather conditions. Omega supplemented its inventories and subsequent sales by purchasing other fish meal products (primarily Panamanian and Mexican fish meal and U.S menhaden oil). Although operating margins from these activities are less than the margins typically generated from Omega's base domestic production, these operations provide Omega with a source of fish meal and oil to sell into other markets where it has not historically had a presence. Omega purchased products totaling approximately 3,100 and 12,500 tons, or approximately 7% and 5% of total volume sales for the quarter ending March 31, 2004 and the fiscal year ended December 31, 2003, respectively.

Historically, approximately 35% to 40% of Omega's FAQ fish meal was sold on a two-to-twelve-month forward contract basis. The balance of regular grade and other products was substantially sold on a spot basis through purchase orders. In 2002, Omega began a similar forward sales program for its specialty grade meals and crude fish oil for 2002 due to increasing demand for these products. During 2003, approximately 50% of its specialty meals and crude fish oil had been sold on a forward contract basis and Omega expects similar volumes to be forward sold in 2004.

Omega's annual revenues are highly dependent on both annual fish catch and inventories and, in addition, inventory is generally carried over from one year to another year. Omega determines the level of inventory to be carried over based on prevailing market prices of the products and anticipated customer usage and demand during the off season. Thus, production volume does not necessarily correlate with sales volume in the same year and sales volumes will fluctuate from quarter to quarter. Omega's fish meal products have a useable life of approximately one year from date of production. Practically, however, Omega typically attempts to empty its warehouses of the previous season's products by the second or third month of the new fishing season. Omega's crude fish oil products do not lose efficacy unless exposed to oxygen and therefore, their storage life typically is longer than that of fish meal.

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

	THREE MONTHS ENDED MARCH 31,			
	2004		2003	
	REVENUES	PERCENT	REVENUES	PERCENT
Regular Grade	$ 4.3	17.1%	$ 3.5	14.0%
Special Select	9.4	37.5	9.6	38.2
Sea-Lac	3.9	15.5	3.4	13.5
Crude Oil	6.0	23.9	7.2	28.7
Refined Oil	1.0	4.0	0.8	3.2
Fish Solubles	0.5	2.0	0.6	2.4
Total	$ 25.1	100.0%	$ 25.1	100.0%

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

Fish meal prices have historically borne a relationship to prevailing soybean meal prices, while prices for fish oil are generally influenced by prices for vegetable fats and oils, such as soybean and palm oils. Thus, the prices for Omega's products are established by worldwide supply and demand relationships over which Omega has no control and tend to fluctuate significantly over the course of a year and from year to year.

Omega Protein announced in April 2003, that it had committed to build a new 100 metric ton per day fish oil processing facility at its Reedville, Virginia location. Construction on the project began in June 2003, with projected completion in the summer of 2004. As of March 31, 2004, Omega has incurred $8.5 million, with a total expected cost of approximately $17 million. Omega currently anticipates that it will fund the project through its available cash balances.

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

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

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

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

ZAP.COM

Zap.Com is a public shell company which does not have any existing business operations. Zap.Com is likely to search for assets or businesses that it can acquire so that it can become an operating company. Zap.Com may also consider developing a new business suitable for its situation.

CONSOLIDATED RESULTS OF OPERATIONS

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

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED MARCH 31, 2004					
Revenues	$ --	$ 69,231	$25,056	$ --	$ 94,287
Cost of revenues	--	57,754	21,382	--	79,136
Gross profit	--	11,477	3,674	--	15,151
Operating expense:					
Selling, general and administrative	1,337	5,746	2,462	42	9,587
Operating (loss) income	(1,337)	5,731	1,212	(42)	5,564
Other income (expense)					
Interest income (expense), net	76	(207)	(187)	5	(313)
Other, net	--	(220)	(56)	--	(276)
(Loss) income before income taxes and minority interest	(1,261)	5,304	969	(37)	4,975
Benefit (provision) for income taxes	345	(2,352)	(323)	--	(2,330)
Minority interest in net income of consolidated subsidiaries(2)	--	(586)	(262)	1	(847)
Net (loss) income to common stockholders	$ (916)	$ 2,366	$ 384	$ (36)	$ 1,798
Earnings per share					$ 0.75

	CORPORATE	SAFETY COMPONENTS(1)	OMEGA	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED MARCH 31, 2003					
Revenues	$ --	$ --	$25,101	$ --	$ 25,101
Cost of revenues	--	--	18,679	--	18,679
Gross profit	--	--	6,422	--	6,422
Operating expense:					
Selling, general and administrative	1,450	--	2,196	30	3,676
Operating (loss) income	(1,450)	--	4,226	(30)	2,746
Other income (expense)					
Interest income (expense), net	269	--	(154)	6	121
Other, net	--	--	21	--	21
(Loss) income before income taxes and minority interest	(1,181)	--	4,093	(24)	2,888
Benefit (provision) for income taxes	357	--	(1,446)	--	(1,089)
Minority interest in net income of consolidated subsidiaries(2)	--	--	(1,050)	1	(1,049)
Net (loss) income to common stockholders	$ (824)	$ --	$ 1,597	$ (23)	$ 750
Earnings per share					$ 0.31

(1) Safety's results of operations have been included in Zapata's consolidated results of operations for the three months ended March 31, 2004. The 2003 acquisition of Safety occurred subsequent to the first quarter. Accordingly, no amounts were included in the three months ended March 31, 2003.

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

For more information concerning segments, see Note 12 to the Company's Consolidated Financial Statements included in Item 1 of this Report.

THREE MONTHS ENDED MARCH 31, 2004 AND 2003

Zapata reported consolidated net income of $1.8 million or $0.75 per diluted share on consolidated revenues of $94.3 million for the three months ended March 31, 2004 as compared to consolidated net income of $750,000 or $0.31 per diluted share on consolidated revenues of $25.1 million for the three months ended March 31, 2003. The increase in consolidated revenues was primarily the result of the Company's acquisition of the majority of the outstanding common stock of Safety Components. As a result of this acquisition, the Company began consolidating amounts related to Safety's operations during the fourth quarter of 2003. On a consolidated basis, the increase in net income resulting from the consolidation of Safety's operating results was partially offset by a decrease in net income from Omega Protein Corporation.

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

REVENUES. Consolidated revenues increased $69.2 million from $25.1 million for the three months ended March 31, 2003 to $94.3 million for the three months ended March 21, 2004. This increase was attributable to the acquisition of Safety Components and the consolidation of Safety's revenues of $69.2 million for the period. Omega's revenues for the three months ended March 31, 2004 were $25.1 million, or a decrease of $45,000 or less than 1% from the comparable period of the prior year. Prices for Omega's fish meal and fish oil increased 3% and 5%, respectively. Omega attributes the higher fish meal and fish oil prices to lower available world supplies of fish meal and oil and significant price increases in the global protein and fat markets. The increase in prices was partially offset by lower sales volumes of 18% for Omega's fish oil. The lower fish oil volumes were primarily attributable to reduced fish catch and production in the prior fiscal year.

COST OF REVENUES. Zapata's consolidated cost of revenues for the three months ended March 31, 2004 was $79.1 million, a $60.5 million increase from $18.7 million for the comparable period of the prior year. This increase was primarily attributable to the acquisition of Safety Components and the consolidation of Safety's cost of revenues of $57.8 million for the quarter ended March 31, 2004. In addition, Omega's cost of revenues was $21.4 million, a 14% increase from $18.7 million for the three months ended March 31, 2003. Omega's cost of revenues as a percentage of revenues increased 10.9% to 85.3% for the quarter ended March 31, 2004 as compared to the corresponding period in 2003. The increase in cost of sales as a percentage of revenues was primarily due to higher fiscal 2003 costs of production due to reduced fish catch, brought about by adverse weather conditions along the Atlantic Coast and Gulf of Mexico, combined with lower oil yields for the Gulf of Mexico fish.

SELLING, GENERAL AND ADMINISTRATIVE. Consolidated selling, general, and administrative expenses increased $5.9 million from $3.7 million for the three months ended March 31, 2003 to $9.6 million for the three months ended March 31, 2004. This increase was primarily attributable to the acquisition of Safety Components and the consolidation of $5.7 million of selling, general and administrative costs related to Safety for the quarter ended March 31, 2004. In addition, Omega's selling, general, and administrative expenses increased $266,000 from $2.2 million in the first quarter ended March 31, 2003 compared to $2.5 million for the current quarter ended March 31, 2004. This increase was attributable primarily to increased consulting expenditures related to Omega's governmental relations program and increased marketing expenditures.

INTEREST INCOME, NET. Net interest income decreased $434,000 million from interest income of $121,000 for the three months ended March 31, 2003 to net interest expense of $313,000 for the three months ended March 31, 2004. This decrease was primarily attributable to the acquisition of Safety Components and the consolidation of Safety's net interest expense of $207,000 for the quarter ended March 31, 2004. Interest income at Zapata Corporate decreased for the period as compared to the comparable period of the prior year as result of lower interest rates on cash, cash equivalents and short-term investments as well as a lower principal balance of cash and cash equivalents after spending

$47.8 million in 2003 to purchase a majority interest in Safety Components. In addition, Omega recognized additional interest expense due to additional Title XI loans in effect during the current quarter ended March 31, 2004 as compared to the quarter ended March 31, 2003.

INCOME TAXES. The Company recorded a consolidated provision for income taxes of $2.3 million for the three months ended March 31, 2004 as compared to a provision of $1.1 million for the comparable period of the prior year. The consolidated provision for the three months ended March 31, 2004 was primarily the result of Safety's provision of $2.4 million resulting from the generation of operating income. Omega recognized a provision of $323,000 and $1.4 million for the three months ended March 31, 2004 and 2003, respectively, resulting primarily for the generation of operating income. The Company's effective tax rate for the three months ended March 31, 2004 was 46.8% compared to 37.8% for the three months ended March 31, 2003. The higher rate for the three months ended March 31, 2004 is primarily the result of the consolidation of Safety's operating results whose foreign tax provision was relatively high as compared to Zapata's consolidated results prior to the consolidation of Safety Components.

MINORITY INTEREST. Minority interest from the consolidated statements of operations represents the minority stockholders' interest in the net income or net loss of the Company's subsidiaries (approximately 20% of Safety Components, approximately 41% of Omega Protein and approximately 2% of Zap.Com). Increases or decreases in Zapata's ownership of its subsidiary's common stock will result in corresponding decreases or increases in the minority stockholders' interest in the net income or loss of Zapata's subsidiaries. For example, should Zapata's ownership percentage of Safety Components continue to decline due to stock option exercises of its employees, minority interest would increase and Zapata would consolidate less of Safety's net income or loss recognized during future periods. For the three months ended March 31, 2004, minority interest was a $847,000 million reduction to net income for the minority interest's share in the net incomes of Safety Components and Omega Protein, partially offset by the minority interest's share in the net loss of Zap.Com.

LIQUIDITY AND CAPITAL RESOURCES

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

The current source of liquidity of Zapata Corporate (Zapata Corporation exclusive of its majority owned subsidiaries Safety Components, Omega Protein, and Zap.Com) is its cash, cash equivalents and short-term investments and the interest income it earns on these funds. Zapata expects these assets to continue to be a source of liquidity except to the extent that they may be used to fund any acquisitions of operating companies, the minority interest of controlled subsidiaries, or repurchases of Zapata stock. Zapata Corporate's investments consist of U.S. Government agency securities and cash equivalents. As of March 31, 2004, Zapata Corporate's cash, cash equivalents and short-term investments were $31.4 million as compared to $31.6 million as of December 31, 2003.

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

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

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

OFF-BALANCE SHEET ARRANGEMENTS

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

SUMMARY OF CASH FLOWS

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

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED MARCH 31, 2004					
CASH (USED IN) PROVIDED BY					
Operating activities	$ (251)	$ (1,256)	$16,371	$ (20)	$ 14,844
Investing activities	(76)	(869)	(4,338)	--	(5,283)
Financing activities	--	3,102	(311)	--	2,791
Effect of exchange rate changes on cash and cash equivalents	--	(54)	1	--	(53)
Net (decrease) increase in cash and cash equivalents	$ (327)	$ 923	$11,723	$ (20)	$ 12,299

	ZAPATA CORPORATE	SAFETY COMPONENTS(1)	OMEGA PROTEIN	ZAP.COM	CONSOLIDATED
THREE MONTHS ENDED MARCH 31, 2003					
CASH (USED IN) PROVIDED BY					
Operating activities	$ (1,484)	$ --	$11,744	$ (43)	$ 10,217
Investing activities	(42,324)	--	(3,443)	--	(45,767)
Financing activities	--	--	(99)	--	(99)
Net (decrease) increase in cash and cash equivalents	$ (43,808)	$ --	$ 8,202	$ (43)	$(35,649)

(1) Safety's cash flow information has been included in Zapata's consolidated cash flows for the three months ended March 31, 2004. The 2003 acquisition of Safety occurred subsequent to the first quarter. Accordingly, no amounts were included in the three months ended March 31, 2003.

NET CASH PROVIDED BY OPERATING ACTIVITIES. Consolidated cash provided by operating activities was $14.8 million and $10.2 million for the three months ended March 31, 2004 and 2003, respectively. The increase in consolidated cash provided by operating activities was primarily due to an increase in cash provided by operating activities at Omega Protein and a decrease in cash used in operating activities at Zapata Corporate mainly due to the timing of changes in the balances of certain assets and liabilities offset by lower net income. On a consolidated basis, this increase was partially offset by cash used by Safety Components' operating activities.

NET CASH USED IN INVESTING ACTIVITIES. Consolidated cash used in investing activities was $5.3 million and $45.8 million for the three months ended March 31, 2004 and 2003, respectively. Variations in the Company's consolidated net cash (used in) provided by investing activities are typically the result of the change in the mix of cash and cash equivalents and short and long-term investments during the period. All highly liquid investments with original maturities of three months or less are considered to be cash equivalents and all investments with original maturities of greater than three months are classified as either short or long-term investments. The increase in net cash usage was primarily due to the decrease in purchases of short-term investments during the period as compared to the same period in the prior year, partially offset by increased capital expenditures during the period as compared to the same period in the prior year related to Omega Protein and Safety Components. Omega anticipates making approximately $20.7 million of capital expenditures during 2004, of which approximately $10.8 million will be dedicated to the new fish oil processing facility and the remainder will be used to refurbish vessels and plant assets and to repair certain equipment. Safety Components anticipates making approximately $7.1 million of capital expenditures during the remainder of 2004. These expenditures will be made to sustain Safety's growth of operations. Safety anticipates that it will fund these expenditures through a combination of cash flows from operations, equipment financing and the use of its line of credit.

NET CASH USED IN FINANCING ACTIVITIES. Consolidated cash provided by financing activities was $2.8 million compared to consolidated cash used in financing activities of $99,000 for the three months ended March 31, 2004 and 2003. The increase in consolidated cash provided by financing activities was primarily due to Safety's net proceeds from borrowings, partially offset by repayments of debt at Safety and Omega during the period as compared to the same period in the prior year.

RECENT ACCOUNTING PRONOUNCEMENTS

In December 2003, the Financial Accounting Standards Board ("FASB") revised Statement on Financial Accounting Standard ("SFAS") No. 132, "Employers' Disclosures about Pensions and Other Postretirement Benefits." It does not change the measurement or recognition of pension and other postretirement benefit plans. It requires additional disclosures to those in the original SFAS No. 132 about the assets, obligations, cash flows, and net periodic benefit cost of defined benefit pension plans and other defined benefit postretirement plans. It also requires disclosure of the components of net periodic benefit cost in interim financial statements. The revised disclosure requirements are required for financial statements with fiscal years ending after December 15, 2003 and the interim-period requirements are effective for interim periods beginning after December 15, 2003. The adoption of this statement did not have an effect on the Company's financial position, results of operations or cash flows.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

INTEREST RATE RISK. Zapata Corporate and Zap.Com hold investment grade securities including a mix of U.S. Government or Government agency obligations, certificates of deposit, money market deposits and commercial paper rated A-1 or P-1. In addition, Omega Protein holds certificates of deposit and commercial quality grade investments rated A-2 P-2 or better with companies and financial institutions. As the majority of the Company's consolidated investment grade securities constitute short-term U.S. Government agency securities, the Company does not believe that the value of these instruments have a material exposure to interest rate risk. However, changes in interest rates do affect the investment income the Company earns on its cash equivalents and marketable securities and, therefore, impacts its cash flows and results of operations. Accordingly, there is inherent roll-over risk for the Company's investment grade securities as they mature and are renewed at current market rates. Using the Company's consolidated investment grade security balance of $85.7 million at March 31, 2004 as a hypothetical constant cash balance, an adverse change of 1% in interest rates would decrease interest income by approximately $214,000 and $857,000 during a three-month and twelve-month period, respectively.

MARKET RISK. To the extent that amounts borrowed under Safety's Congress Facilities and certain other facilities are outstanding, Safety has market risk relating to such amounts because the interest rates under the Congress Facilities are variable. As of March 31, 2004, Safety's interest rates under the Congress Facilities and those certain other facilities approximated 4.0%. A hypothetical increase or decrease in interest rates of 100 basis points relating to the Congress Facilities would result in an addition to or reduction in annual interest expense of approximately $200,000. Omega Protein is exposed to minimal market risk associated with interest rate movements on its borrowings. A one percent increase or decrease in the levels of interest rates on Omega's variable rate debt would not result in a material change to the Company's results of operations.

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

Certain operating expenses at Safety's Mexican facilities are paid in Mexican pesos. To reduce exposure to fluctuations in the U.S. dollar and Mexican peso exchange rates, Safety entered into forward contracts on April 10, 2003 to buy Mexican pesos for periods and amounts consistent with the related, underlying forecasted cash outflows. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At March 31, 2004, Safety had no remaining forward exchange contracts to purchase Mexican pesos. Changes in the derivates' fair values are deferred and recorded in the balance sheet as a component of accumulated other comprehensive income ("AOCI"), until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of earnings as a cost of revenues. Safety reclassified all previously recorded derivative fair values in AOCI into earnings as of March 31, 2004. The net effect for the quarter ended March 31, 2004 is a credit to cost of goods sold of approximately $21,000.

Certain intercompany sales at Safety's Czech facility are denominated and settled in Euros. To reduce exposure to fluctuation in the Euro and Czech Koruna exchange rates, Safety entered into forward contracts to buy Czech Korunas on June 23, 2003 to buy Czech Korunas for periods and amounts consistent with the related, underlying forecasted cash inflows associated with the intercompany sales. These contracts were designated as hedges at inception and are monitored for effectiveness on a routine basis. At March 31, 2004, Safety had no remaining forward exchange contracts to purchase Czech Korunas. Changes in the derivates' fair values are deferred and recorded in the balance sheet as a component of AOCI, until the underlying transaction is recorded in earnings. When the hedged item affects earnings, gains or losses are reclassified from AOCI to the consolidated statement of earnings as a component of intercompany sales. Safety reclassified all previously recorded derivative fair values in AOCI into earnings as of March 31, 2004. The net effect for the quarter ended March 31, 2004 is a charge to cost of goods sold of approximately $141,000.

ITEM 4. CONTROLS AND PROCEDURES

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

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

No changes in internal control over financial reporting occurred during the quarter ended March 31, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

LITIGATION

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

ENVIRONMENTAL MATTERS

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

ITEM 2. CHANGES IN SECURITIES, USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY SECURITIES

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

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

None.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits:

31.1 Certification of CEO as required by Rule 13a-14(a), as adopted Pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of CFO as required by Rule 13a-14(a), as adopted Pursuant to Section 304 of the Sarbanes-Oxley Act of 2002.

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

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

(b) Reports on Form 8-K:

None.

SIGNATURES

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

ZAPATA CORPORATION
(REGISTRANT)

Dated: May 13, 2004 By: /s/ Leonard DiSalvo

(Vice President-- Finance and Chief Financial Officer)

EXHIBIT 31.1

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

I, Avram A. Glazer, certify that:

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

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

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

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

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

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

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

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

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

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

Date: May 13, 2004

/s/ Avram A. Glazer
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Avram A. Glazer
President and CEO

EXHIBIT 31.2

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

I, Leonard DiSalvo, certify that:

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

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

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

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

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

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

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

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

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

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

Date: May 13, 2004

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

EXHIBIT 32.1

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

In connection with the Quarterly Report of Zapata Corporation (the "Company") on Form 10-Q for the period ending September 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Avram A. Glazer, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

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

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

/s/ Avram A. Glazer
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Avram A. Glazer
Chairman of the Board, President and Chief Executive Officer
May 13, 2004

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

EXHIBIT 32.2

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

In connection with the Quarterly Report of Zapata Corporation (the "Company") on Form 10-Q for the period ending September 30, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Leonard DiSalvo, as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 to the best of my knowledge, that:

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

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

/s/ Leonard DiSalvo
- ---------------------
Leonard DiSalvo
Vice President - Finance and Chief Financial Officer
May 13, 2004

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