ZAPATA CORP
Form PRER14C
October 27, 2006

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

SCHEDULE 14C
(Amendment No. 1)

INFORMATION STATEMENT PURSUANT TO

SECTION 14 OF THE SECURITIES EXCHANGE ACT OF 1934

Check the appropriate box:

þ Preliminary Information Statement
o Confidential, For Use of the Commission Only (as permitted by Rule 14c-5(d)(2))
o Definitive Information Statement

ZAPATA CORPORATION
(Name of Registrant as Specified in its Charter)

Payment of Filing Fee (Check the appropriate box):

o No fee required

o Fee computed on table below per Exchange Act Rules 14c-5(g) and 0-11

(1) Title of each class of securities to which transaction applies:

Common Stock, par value $0.01, of Omega Protein Corporation

(2) Aggregate number of securities to which transaction applies:

14,501,000

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(i) 9,268,292 shares at $5.125 per share or $47,500,000, negotiated price.

(ii) 5,232,708 shares at $4.50 per share or $23,547,200, negotiated price.

(the aggregate amount of cash to be received by the Registrant)

(4) Proposed maximum aggregate value of transaction:

$71,047,200

(5) Total fee paid:

$7,602

þ Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1) Amount Previously Paid

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

ZAPATA CORPORATION
100 Meridian Centre, Suite 350
Rochester, New York 14618

October 27, 2006

Dear Zapata Stockholder:

We are pleased to inform you that we have entered into a stock purchase agreement dated September 8, 2006 with our majority owned subsidiary, Omega Protein Corporation, a Nevada corporation, which provides for the repurchase of shares of Omega common stock held by us. Under this agreement, Omega has agreed to repurchase 9,268,292 Omega shares from us for a purchase price of $5.125 per share, or $47.5 million in the aggregate, in cash. In the agreement we also granted Omega a call option to acquire for an exercise price of $4.50 per share, payable in cash, not less than all of our remaining 5,232,708 Omega shares which we do not dispose of prior to the exercise of the option. The option is exercisable from the 270th day until the 390th day after the initial closing under the stock purchase agreement. Our Board of Directors has authorized us to seek purchasers for our remaining 5,232,708 Omega shares at a price of $4.50 per share or more. There is no assurance, however, that we will be able to sell our remaining Omega shares either to third parties or to Omega pursuant to its call option.

Our majority stockholder, the Malcolm I. Glazer Family Limited Partnership, which holds approximately 51.2% of our outstanding voting securities, has approved by written consent the sale of our Omega shares. The sale proposal contemplated by the written consent, if not revoked or terminated will not be completed until twenty (20) days after the date of this Information Statement is sent or given to our stockholders. We expect the transaction to close in the fourth quarter of 2006.

The sale of our Omega shares, if completed, will fulfill our process of monetizing the securities of our operating subsidiaries. Following the sale of our Omega shares, we plan to continue to operate Zapata as a public company and to pursue acquisitions of operating companies and other strategic opportunities that will put us in a position to enhance stockholder value.

The attached Information Statement and the accompanying documents provide detailed information about the sale of our Omega shares. Please read these documents carefully in their entirety. You may also obtain information about us from publicly available documents that have been filed with the Securities and Exchange Commission.

/s/ AVRAM A. GLAZER
Chairman of the Board,
President and Chief Executive Officer

ZAPATA CORPORATION
100 Meridian Centre, Suite 350
Rochester, New York 14618

This Information Statement is being provided to you by the
Board of Directors of Zapata Corporation

This Information Statement is being furnished by our Board of Directors to the holders of our common stock as of October 9, 2006 to provide information with respect to the approval by written consent of our majority stockholder, the Malcolm I. Glazer Family Limited Partnership, of the terms and conditions of a stock purchase agreement, dated September 8, 2006, between us and our majority-owned subsidiary, Omega Protein Corporation, or Omega. We currently hold 14,501,000 shares of Omega common stock, or 58% of Omega s outstanding common stock.

The stock purchase agreement provides for Omega s repurchase from us of 9,268,292 Omega shares at a purchase price of $5.125 per share, or $47.5 million in the aggregate, payable in cash, and the grant to Omega of a call option to purchase all, but not less than all of our remaining Omega shares held on the date of exercise at a price of $4.50 per share, payable in cash. The call option is exercisable by Omega beginning on the 270th day and ending on the 390th day after the sale of our 9,268,292 Omega shares has been completed, subject to certain conditions. In addition, our majority stockholder has approved the sale of our remaining 5,232,708 Omega shares to any third party at a price approved by our Board of Directors and the sale of all our Omega shares in a superior proposal, as defined in the stock purchase agreement, if presented to us and our Board of Directors elects to accept the superior proposal and terminate the stock purchase agreement. Lastly, we may also distribute all or a portion of our remaining Omega shares to our stockholders as a dividend. Our Board of Directors decided to obtain the written consent of our majority stockholder in order to avoid the costs and management time required to hold a special meeting of stockholders.

All required corporate approvals for the proposed sale of our Omega shares have been obtained, subject to furnishing this Information Statement and twenty (20) days elapsing from its mailing to our stockholders. This Information Statement is furnished solely for the purpose of informing stockholders of the approval of the proposed sale by our Board of Directors, and majority stockholder, the Malcolm I. Glazer Family Limited Partnership. **WE ARE NOT ASKING YOU FOR A PROXY AND YOU ARE REQUESTED NOT TO SEND US A PROXY.**

Empire Valuation Consultants, LLC, or Empire, has delivered to our Board of Directors its written opinion to the effect that, as of the date of the stock purchase agreement, the purchase price, call option price, as well as any subsequent public or private sales of our remaining Omega shares at a price equal to or in excess of $4.50 per share, is fair to Zapata and its stockholders from a financial point of view. The full text of Empire s written opinion containing the assumptions made, the matters considered and the scope of the opinion is included in this Information Statement as Appendix C. Stockholders are urged to read the Empire opinion in its entirety.

We have asked brokers and other custodians, nominees and fiduciaries to forward this Information Statement to the beneficial owners of our common stock held as of October 9, 2006 by such persons and will reimburse such persons for out-of-pocket expenses incurred in forwarding such material.

This Information Statement is being first sent or given to stockholders on ______.

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List of Appendices

SUMMARY OF THE PROPOSED SALE OF OUR OMEGA SHARES

The following summary highlights material information from this Information Statement regarding the sale to our majority-owned subsidiary, Omega Protein Corporation, of 9,268,292 shares of Omega common stock held by us and the potential sale of our remaining 5,232,708 Omega shares either pursuant to a call option granted to Omega at a price of $4.50 per share during the period from the 270th day to the 390th day following the closing on Omega s initial purchase of our shares, or to a third party at any time at a price of $4.50 per share or more. We are also authorized to sell all of our Omega shares in a superior proposal (as defined in the stock purchase agreement) if our Board of Directors determines to do so and terminates the stock purchase agreement. Lastly, we may distribute to our stockholders a dividend of all or a portion of our remaining Omega shares that are not sold to Omega in the initial closing. To fully understand the transaction, you should carefully read the entire Information Statement and the referenced documents and reports, including the stock purchase agreement attached as Appendix A. We have included cross-references in this summary which direct you to more complete descriptions of the topics that we have summarized.

Parties to the Sale

The seller is Zapata, a Nevada corporation, and the purchaser is Zapata s majority-owned subsidiary, Omega, a Nevada corporation. Zapata and Omega are both public companies whose stock trades on the New York Stock Exchange under the symbols, ZAP and OME, respectively. See THE PROPOSED SALE OF OUR OMEGA SHARES The Parties to the Stock Purchase Agreement.

Assets to Be Sold By Us

We are selling 9,268,292 Omega shares in an initial sale to Omega. We may sell our remaining 5,232,708 Omega shares pursuant to a call option granted to Omega which is exercisable, subject to certain conditions, during the period from the 270th day to the 390th day following the closing of our initial sale to Omega. We may also, at any time prior to the exercise of the call option, sell these remaining Omega shares to a third party at a price of $4.50 per share or more. Additionally, we may dispose of these remaining Omega shares in a dividend distribution to our stockholders. Finally, if a third party presents us with a proposal to acquire our Omega shares which our Board of Directors deems to be a superior proposal, as defined in the stock purchase agreement, we may terminate the stock purchase agreement and sell our Omega shares to the third party at the election of our Board of Directors.

Our Future Plans

Following our sale of 9,268,292 Omega shares to Omega, we will hold 5,232,708 Omega shares, or approximately 33% of Omega s outstanding common stock, 98% of Zap.Com s outstanding common stock and approximately $123 million in cash and cash equivalents. Our Board of Directors has authorized us to seek one or more buyers to purchase our remaining Omega shares and to pursue acquisitions or other strategic opportunities in an effort to enhance stockholder value. We are likely to use some or all of our cash and cash equivalents to fund, in whole or part, one or more acquisitions or related transactions. There are no limits on the types of businesses or fields in which we may make our acquisitions.

Background and Reasons for the Sale

Our Board of Directors concluded that the sale of our Omega shares is in the best interests of Zapata. Our Board of Directors considered numerous factors in making such a determination, including the factors described under the heading THE PROPOSED SALE OF OUR OMEGA SHARES Background of the Sale and Reasons for the Sale.

Structure of the Transaction

The transaction with Omega is structured as a stock repurchase in which Omega is obligated to purchase from us 9,268,292 Omega shares upon the satisfaction of closing conditions and has a call option to repurchase our remaining shares, subject to certain terms and conditions. On or before October 23, 2006, we and Omega are obligated to make escrow deposits with Manufacturers & Traders Trust Company, as escrow agent, which in our case is the stock certificate for the 9,268,292 Omega shares being purchased at the initial closing and in Omega s case is immediately available funds in the amount of the $47.5 million purchase price. Both deposits were made as of the October 23, 2006 deadline. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Structure of the Sale and Price.

The Purchase Price

The purchase price under the stock purchase agreement for our 9,268,292 Omega shares is $5.125 per share, or $47.5 million in the aggregate. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement The Purchase Price.

Omega s Debt Financing

Omega s obligation to consummate the initial purchase of 9,268,292 Omega shares is subject to the consummation of the financing contemplated by the commitment letter dated September 8, 2006 between Omega and Ableco Finance LLC, an affiliate of Cerberus Capital Management, L.P., to provide Omega with up to $65 million in credit facilities. On October 20, 2006, Omega entered into a financing agreement as contemplated in the commitment letter in which Ableco and other financial institutions agreed to lend Omega $65 million. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Omega s Financing of the $47.5 Million Purchase Price.

Regulatory Approvals

Within 30 days following our sale to Omega of 9,268,292 Omega shares, Omega must notify the United States Department of Transportation, Maritime Administration, of the change in ownership of its stock pursuant to 46 C.F.R Section 356.5. This is not a condition to the closing as it is not required to take place until after the closing. Except for this filing and the filing of this Information Statement with the SEC (and such other reports as may be required, if any, under the Exchange Act) we are unaware of any material federal, state or foreign regulatory requirements or approvals required for the sale by us of all our Omega shares. See THE PROPOSED SALE OF OUR OMEGA SHARES Regulatory Approvals.

Omega Protein Board of Directors Resignations

Pursuant to the stock purchase agreement, Zapata has agreed to deliver the resignations, effective as of the closing date, from the Omega board of directors of its two representatives, Leonard DiSalvo and Avram A. Glazer. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Conditions to Closing of the Sale.

Conditions to Closing

Before Omega and Zapata are obligated to complete the initial the purchase and sale of 9,268,292 Omega shares, certain closing conditions must be satisfied or waived. These conditions are described in this Information Statement in the section entitled THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Conditions to Closing of the Sale, Omega s Financing of the $47.5 Million Purchase Price.

Closing of the Sale

The purchase and sale of Zapata s 9,268,292 Omega shares is scheduled to close on the second business day after the conditions set forth in the stock purchase agreement have been satisfied or waived. We expect this to occur in the fourth quarter of 2006. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Closing of the Sale, and Conditions to Closing of the Sale.

Termination of the Agreement

The parties may terminate the stock purchase agreement under certain circumstances, including if our initial sale of 9,268,292 Omega shares is not completed on or before December 7, 2006 or, if there is a delay in finalizing any comments by the SEC to this Information Statement, January 21, 2007. We may also terminate the stock purchase agreement for several reasons, including if our Board of Directors accepts a superior proposal, as defined in the stock purchase agreement. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Termination of the Agreement.

Expense Reimbursement

Omega may be required to reimburse us for our actual out-of-pocket documented expenses up to a maximum of $1 million if we terminate the stock purchase agreement based on Omega s material breach of the stock purchase agreement. We may be required to reimburse Omega for its actual out-of-pocket documented expenses up to a maximum of $1.3 million if we terminate the stock purchase agreement, or if our Board of Directors withdraws or modifies its approval of the stock purchase agreement in a manner adverse to Omega, in order to accept a superior proposal (as defined in the stock purchase agreement) to purchase our Omega shares that are to be sold at the initial closing or we materially breach the agreement. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Expense Reimbursement.

Omega s Call Option

Pursuant to the stock purchase agreement, we granted Omega a call option entitling Omega, at its election and subject to certain conditions, to purchase, all, but not less than all, of our remaining 5,232,708 Omega shares not initially purchased by Omega and which continue to be held by us on the date the option is exercised at a price of $4.50 per share, payable in cash. The option may only be exercised, subject to certain conditions, from the 270th day to the 390th day following the consummation of Omega s initial purchase of shares from us pursuant to the stock purchase agreement. If the call option is exercised, the closing with respect thereto must occur within two business days of Omega s notice to us that it is exercising the call option. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Stock Purchase Agreement - Call Option.

Zapata s Voting Agreement

Following the sale of our 9,268,292 Omega shares, the stock purchase agreement requires that we vote all of our remaining Omega shares and any other Omega shares that we have the right to vote or direct the vote of in favor of the directors nominated by Omega s board of directors or a committee thereof and in favor of all actions approved and recommended by Omega s board of directors. This arrangement does not apply, however, to any merger, consolidation, stock exchange, asset sale, dissolution, recapitalization, restructuring, charter amendment or similar transaction which would result in us receiving less than the $4.50 per share in cash. We have appointed Omega s Chief Executive Officer and Chief Financial Officer as our proxy to vote our Omega shares consistent with the voting agreement. The voting agreement and proxy terminate upon the occurrence of certain events, including Omega s failure to achieve EBITDA, as defined in the stock purchase agreement, of $15 million for any 12 calendar month period, a continuous default with respect to its debt and decline in the trading price of Omega s stock price below $4.50 per share for 10 consecutive trading days after Omega s call option expires. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Stock Purchase Agreement Voting Agreement.

Omega s Obligation to File a Shelf Registration on Form S-3 and to Assist Zapata in Sale of its Remaining Omega Shares

Under the stock purchase agreement, Omega is required to promptly file with the Securities and Exchange Commission, or the SEC, and to exercise reasonable best efforts to have declared effective as soon as possible a shelf registration statement on Form S-3 for the resale by us of all of our remaining 5,232,708 Omega shares following the sale of our 9,268,292 Omega shares. Upon being declared effective, Omega is obligated to maintain such effectiveness for a period of 390 days, subject to certain conditions. Omega is also obligated to assist us in the sale of our remaining Omega shares. On October 18, 2006, we entered into a letter amendment to the stock purchase agreement with Omega suspending Omega s obligation to file the shelf registration statement on Form S-3. We further agreed with Omega, that Omega would file the Form S-3 with the SEC by the new deadline set by us, notification of which will precede the new deadline by at least 15 business days and will be given in writing. See THE PROPOSED SALE OF OUR

OMEGA SHARES Description of the Stock Purchase Agreement Omega Covenants.

Amended and Restated Registration Rights Agreement

Concurrent with the sale of our 9,268,292 Omega shares, Omega is required to enter into an amended and restated registration rights agreement with us that will amend and restate our April 1998 registration rights agreement. The amended and restated registration rights agreement will provide us with more favorable demand and piggyback registration rights than are contained in the original registration rights agreement. See THE

PROPOSED SALE OF OUR OMEGA SHARES Description of the Stock Purchase Agreement Amended and Restated Registration Rights Agreement.

Fairness Opinion of Empire Valuation Consultants, LLC

We retained Empire Valuation Consultants, LLC, or Empire, to provide a financial fairness opinion to our Board of Directors in connection with the sale of our Omega shares. At the meeting of our Board of Directors on September 7, 2006, Empire rendered its oral opinion, subsequently confirmed in writing, that as of September 7, 2006, and based upon and subject to the assumptions, qualifications and limitations set forth therein, the purchase price to be paid to Zapata for its Omega shares at the initial closing under the stock purchase agreement and the sale of our remaining Omega shares pursuant to the call option granted under the stock purchase agreement or to a third party at a price equal to or in excess of $4.50 per share was fair from a financial point of view to Zapata and its stockholders. The full text of Empire s written opinion, dated September 8, 2006, which sets forth, among other things, the assumptions made, procedures followed, matters considered and qualifications and limitations of the reviews undertaken in rendering the opinion, is attached as Appendix C to this Information Statement. See THE PROPOSED SALE OF OUR OMEGA SHARES Fairness Opinion

Stockholder Written Consent to the Sale Proposal

Under Nevada law, the sale of all or substantially all of our assets requires the affirmative vote of the holders of at least a majority of our outstanding common stock. Omega represents a substantial portion of our assets, revenues and operating income. Although we are only selling a portion of our Omega shares in the initial closing and we will continue to own substantial assets, including cash and cash equivalents, to remove any doubt whether the transaction has been properly approved under Nevada law, we obtained a written consent dated September 8, 2006 from our majority stockholder, The Malcolm I. Glazer Family Limited Partnership, which holds approximately 51.2% of our outstanding shares of common stock, approving the sale of our Omega shares described in this Information Statement. See THE PROPOSED SALE OF OUR OMEGA SHARES Stockholder Consent to the Sale Proposal

Accounting Treatment

We anticipate that the sale of 9,268,292 shares of our Omega shares to Omega will result in the recognition of a net loss for book purposes. The ultimate amount of such loss will not be known until the conclusion of the transaction since Omega s financial statements will continue to be consolidated with ours until the closing of the sales of these shares. Generally, the ultimate loss recognized on the transaction will increase (decrease) as we consolidate net income (loss) related to Omega s operations.

If the transaction had closed on June 30, 2006, we estimate that the loss for book purposes would have been approximately $6.2 million, net of tax effects. This loss includes an impairment loss on our remaining shares of approximately $3.7 million, net of taxes, which would be recorded in accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. Subsequent to the transaction, we will own approximately 33% of Omega s common stock and will account for our remaining investment in Omega under the equity method. See THE PROPOSED SALE OF OUR OMEGA SHARES Accounting Treatment.

Material Federal Income Tax Consequences

Generally, as the expected sale proceeds of $47.5 million exceeds our original tax basis of $33.6 million, the sale will be taxable to us. After adjusting for transaction closing costs, we estimate a taxable gain from the sale of approximately $13.7 million. Because we have adequate loss carryforwards, we expect that our current taxes payable related to the sale will be limited to approximately $274,000. In addition, there will be no direct federal income tax consequences to the holders of our common stock. See THE PROPOSED SALE OF OUR OMEGA SHARES Material Federal Income Tax Consequences.

No Dissenters Rights

Under Nevada law our stockholders do not have dissenters rights or the right to demand an appraisal and receive payment of the fair value of their shares as a result of the sale. See THE PROPOSED SALE OF OUR OMEGA SHARES No Dissenters Rights.

QUESTIONS AND ANSWERS ABOUT THE PROPOSED SALE OF OUR OMEGA SHARES

Q: Why am I receiving this Information Statement?

A: This Information Statement describes the sale of our Omega shares and the approval of this sale by written consent of our majority stockholder. Our Board of Directors is providing this Information Statement to you pursuant to Section 14(c) of the Securities Exchange Act of 1934, as amended, solely to inform you of, and provide you with information about, the sale before it is consummated.

Q: Am I being asked for my approval of the proposed transaction?

A: No, we are not asking you to vote for approval of the sale of our Omega shares or to provide your written consent to the sale. Your vote or written consent is not required for approval of the sale, because the sale has been approved by the written consent of our majority stockholder.

Q: Will there be a stockholder meeting to consider and approve the sale of our Omega shares?

A: No, a stockholder meeting will not be held to consider and approve the sale. The sale of our Omega shares has already been approved by written consent of our majority stockholder.

Q: What will be done with the initial sale proceeds?

A: We have no immediate plans to use the proceeds from the sale of our Omega shares. We do not expect to distribute to our stockholders any of these proceeds. We plan to continue to evaluate acquisitions and other strategic opportunities for the use of these proceeds and our other capital resources, in a manner intended to put us in a position to enhance stockholder value. See THE PROPOSED SALE OF OUR OMEGA SHARES Our Future Plans.

Q: What will be the effect of the sale of the Omega shares on Zapata stockholders?

A: Our stockholders will retain their equity interest in us and to the rights to sell or otherwise transfer their equity interest.

Q: What will the effect of the sale be on Zapata?

A: Following our sale of 9,268,292 Omega shares to Omega, we will hold 5,232,708 Omega shares and will report Omega s results of operations in our financial statements based on the equity method of accounting. Our plan is to completely exit from our Omega investment and dispose of our remaining Omega shares. As of and after the initial closing of the sale of our Omega shares we will have no further representation on the Omega board of directors and we will be obligated by a voting agreement with Omega to vote in accordance with the direction of Omega s Board of Directors with respect to future stockholder actions, subject to certain conditions. After the sale of all of our Omega shares, our remaining assets will consist primarily of cash and cash equivalents and 98% of the outstanding stock of Zap.Com Corporation, or Zap.Com, a public shell corporation. We have no plans to dissolve or liquidate. We intend to continue to operate Zapata as a public company to pursue and consummate acquisitions or other strategic opportunities. See THE PROPOSED SALE OF OUR OMEGA SHARES Our Future Plans. See also Financial Statements Unaudited Pro Forma Consolidated Financial Information.

Q: Is the initial sale of Omega shares subject to the satisfaction of any conditions?

A: Yes. Before the initial sale of the 9,268,292 Omega shares can be consummated, certain closing conditions must be satisfied or waived. These conditions are described in this Information Statement in the section entitled THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Conditions to Closing of the Sale. If these conditions are not satisfied or waived, then the initial sale will not be consummated even though it has been approved by written consent.

Q: When will the initial sale of 9,268,292 Omega shares close?

A: Unless the stock purchase agreement is terminated, our sale of 9,268,292 Omega shares is expected to close on the second business day after all of the closing conditions have been satisfied or waived by the party entitled to the benefit of each such condition. We anticipate that the closing will occur in the fourth quarter of 2006. See THE PROPOSED SALE OF OUR OMEGA SHARES Description of the Terms of the Stock Purchase Agreement Closing of the Sale; Conditions to Closing of the Sale and Termination of the Agreement.

Q: What should I do now?

A: No action by you is required.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Forward-looking statements in this Information Statement on Schedule 14C are intended to be subject to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements, which are based upon certain assumptions and describe future plans, strategies and expectations, are generally identifiable by use of the words believes, expects, intends, anticipates, plans, seeks, estimates, projects, may or similar Investors are cautioned that all forward-looking statements involve inherent risks and uncertainties. Actual results may differ materially from the results discussed in the forward-looking statements as a result of important risk factors. These risks include, without limitation, the possibility that the sale will not close or that the closing of the sale may be delayed, and those risks described under the caption of Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2005 and other risks identified from time to time in our subsequent filings with the SEC, press releases and other communications by us, Omega or Zap.Com. We believe that forward-looking statements made by us 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. Further, any forward-looking statement speaks only as of the date on which it is made, and we assume no obligation to update forward-looking statements to reflect events or circumstances after the date on which the statement is made, to reflect the occurrence of unanticipated events or to update the reasons actual results could differ from those projected in the forward-looking statements.

THE PROPOSED SALE OF OUR OMEGA SHARES

The Parties to the Stock Purchase Agreement

Zapata, a Nevada corporation which is a holding company, is the seller. Zapata s corporate office is located at 100 Meridian Centre, Suite 350, Rochester, New York 14618 and its telephone number is (585) 242-2000. Zapata s common stock trades on the New York Stock Exchange under the symbol ZAP.

Zapata currently owns approximately 58% of the outstanding common stock of Omega, a Nevada corporation described in more detail below and 98% of Zap.Com, which is a public shell company and trades on the OTCBB under the symbol ZPCM. In addition, Zapata currently holds approximately $75 million in cash and cash equivalents, at the corporate level.

Omega, our majority-owned subsidiary, is the purchaser. Omega is the largest processor, marketer and distributor of fish meal and fish oil products in the United States. Omega produces and sells a variety of protein and oil products derived from menhaden, a species of wild herring-like fish found along the Gulf of Mexico and Atlantic coasts. The fish are not genetically modified or genetically enhanced. Omega processes several grades of fish meal, as well as fish oil and fish solubles. Omega s fish meal products are primarily used as a protein ingredient in animal feed for swine, cattle, aquaculture and household pets. Fish oil is utilized for animal and aquaculture feeds, industrial applications, additives to human food products and as dietary supplements. Omega s fish solubles are sold primarily to livestock feed manufacturers, aquaculture feed manufacturers and for use as an organic fertilizer.

Under Omega s patented production process, Omega produces OmegaPure®, a taste-free, odorless refined fish oil which is the only marine source of long-chain Omega-3 s directly affirmed by the U.S. Food and Drug Administration as a food ingredient that is Generally Recognized as Safe. All of Omega s products contain healthy long-chain Omega-3 fatty acids. Omega-3 fatty acids are commonly referred to as essential fatty acids because the body does not produce them. Instead, essential fatty acids must be obtained from outside sources, such as food or special supplements. Long-chain Omega-3s are also commonly referred to as a good fat for their health benefits, as opposed to the bad fats that create or aggravate health conditions through long-term consumption. Scientific research suggests that long-chain Omega-3s as part of a balanced diet may provide significant benefits for health issues such as cardiovascular disease, inflammatory conditions and other ailments.

Omega operates four menhaden processing plants: two in Louisiana, one in Mississippi and one in Virginia. Omega also operates a Health and Science Center in Reedville, Virginia, which provides 100-metric tons per day fish oil processing capacity for Omega s food grade oils and industrial and feed grade oils.

Omega s main office is located at 2101 City West Boulevard, Building 3, Suite 500, Houston, Texas 77042. The telephone number for Omega Protein s main office is (713) 623-0060. Omega s stock trades on the New York Stock Exchange under the symbol OME.

Our Future Plans

Following our sale of 9,268,292 Omega shares to Omega, we will hold 5,232,708 Omega shares, or approximately 33% of Omega s outstanding common stock, 98% of Zap.Com s outstanding common stock and approximately $123 million in cash and cash equivalents, including the $47.2 million in net proceeds we anticipate receiving from the initial sale of our Omega shares. See Financial Statements Unaudited Pro Forma Consolidated Financial Information. We have no plans to dissolve or liquidate. Our Board of Directors has authorized us to seek one or more buyers for our remaining Omega shares and to pursue acquisitions or other strategic opportunities in an effort to position us to enhance stockholder value. We are likely to use some or all of our cash and cash equivalents to fund, in whole or part, one or more acquisitions or related transactions. There are no limits on the types of businesses or fields in which we may invest.

Following our initial sale of shares to Omega, the composition of our assets will subject us to the Investment Company Act of 1940. However, the Investment Company Act of 1940 provides a one year temporary exclusion for companies that are in transition in limited circumstances. We believe this temporary exclusion applies to us because our Board of Directors decided that during this time we would take action to become an operating company or obtain a special exemption from the Investment Company Act of 1940. We believe that we are, in fact, complying with this rule because we are seeking to acquire an operating company and we intend to do so within the one year period. So as to be ready to make appropriate acquisitions of operating business, we are maintaining our reserves in cash and cash items, as those terms are used in the Investment Company Act of 1940, that is, in deposits with banks that are payable on demand or on less than seven days notice. There is no assurance, however, that at all times following the sale of the Omega shares Zapata may not become subject to registration requirements under the Investment Company Act of 1940.

Background of the Sale

We are a holding company. Our primary holding is our 58% interest in Omega which is publicly traded on the New York Stock Exchange. Zapata and Omega have separate boards of directors. Two of Zapata s officers, Avram A. Glazer and Leonard DiSalvo serve on the Omega board of directors. Omega s financial results are consolidated with ours and reported in our consolidated financial statements.

Until April 1998, we owned all of the outstanding capital stock of Omega. In April 1998, Omega completed its initial public offering at a price of $16.00 per share and as part of the offering Zapata sold Omega shares as a selling stockholder. In the offering, Omega netted approximately $68.0 million and Zapata netted $76.6 million. Omega

Protein used a portion of its net proceeds to repay Zapata approximately $33.3 million of inter-company indebtedness. Since Omega s 1998 public offering, Zapata has not purchased or sold any Omega shares and Omega has not declared or paid any dividends.

Following the completion of the offering, the Omega shares held by Zapata constituted approximately 59.7% of Omega s outstanding common stock. Since that time, Zapata has at all times had two representatives serve on Omega s Board of Directors, which currently consists of seven directors. During the years subsequent to Omega s initial public offering, Omega s stock price declined. During the period from January 1, 2006 through September 8, 2006, the date the stock purchase agreement was executed, Omega s stock traded at a high of $6.69 and a low of

$5.13. Although as of September 1, 2006, Omega had outstanding 25,150,909 shares, its average daily volume was only 12,000 shares during the 60 days prior to that date.

At our September 12, 2005 Board of Directors meeting, our Board of Directors reviewed Omega s historic financial performance, both as an operating company and as an investment, as well as a number of other factors. After discussion, the Board determined in would be in the best interest of Zapata to exit its investment in Omega.

In the Fall of 2005, pursuant to Board direction, Zapata s management contacted an international investment banking firm for the purpose of pursuing a parallel track of selling its Omega shares to strategic buyers and in a secondary public offering. After conducting due diligence, the investment banking firm advised us that it did not believe it would be beneficial for Zapata to proceed with the assignment at that time. On December 8, 2005, Zapata made a public announcement that its Board of Directors had authorized management to seek a buyer of its Omega shares.

Shortly after the December 8th announcement, a potential strategic buyer contacted us about acquiring our Omega shares. The potential strategic buyer executed a confidentiality agreement dated February 7, 2006. The potential buyer also executed a confidentiality agreement with Omega dated April 24, 2006. The potential buyer conducted limited due diligence and proposed general terms but was unable to provide satisfactory evidence of its ability to complete a transaction.

In late May 2006, we received an indication of interest from a potential financial buyer for the purchase of all our Omega shares for a price of $4.24 per share, payable in immediately available funds to be placed in escrow pending the closing and very limited representations and warranties and conditions to closing. On June 2, 2006, Zapata s Board of Directors met to review proposed terms for the sale of all of Zapata s Omega shares to the potential financial buyer. The directors reviewed the terms which contemplated a purchase price of $4.24 per share and limited representations, warranties and closing conditions. After discussion, the directors instructed management to pursue the transaction and bring back final terms to the Board of Directors for consideration and approval.

From June 2, 2006 through June 21, 2006, Zapata and the potential financial buyer engaged in extensive negotiations of the transaction terms. The potential financial buyer negotiated and executed a confidentiality agreement with Omega which it signed on June 21, 2006. Through August 2006, the potential financial buyer conducted due diligence on Omega and continued to negotiate terms. The final proposal from the potential financial buyer contemplated the purchase of all our Omega shares pursuant to a stock purchase agreement at a price of $4.24 per share, payable in cash, and contained extensive representations and warranties concerning Zapata and Omega, a closing condition that the potential financial buyer be pre-approved by the United States Department of Transportation, Maritime Administration, as to its United States citizenship status so as not to affect Omega s fishing licenses (which require at least 75% ownership of Omega by U.S. citizens) and another closing condition that Omega not take any action that would, in the buyer s discretion, be a material adverse change that affected its anticipated value in the shares. The proposal also contemplated that the potential financial buyer would receive immediate representation on Omega s board of directors concurrent with the execution of the stock purchase agreement, and that Zapata would be subject to a complete no talk/no shop provision without any fiduciary out.

On July 13, 2006, our Board of Directors convened with management and its legal advisors. After discussion and review of the then current terms, our Board of Directors directed management to investigate further the issues surrounding the potential financial buyer s qualification as a U.S. citizen under the applicable fishing license laws and to address objectionable representations, warranties, closing conditions and covenants. During the course of these subsequent negotiations, our management was unable to satisfy themselves as to the certainty of the U.S. citizenship closing condition being satisfied or removing other objectionable terms.

On August 5, 2006, Zapata received from Omega management a verbal expression of interest for repurchasing Zapata s Omega shares. Zapata management evaluated Omega s stock repurchase proposal and began to negotiate the terms of a transaction. During the first part of August 2006, Zapata and TM Capital Corp., on behalf of Omega, negotiated the terms of Omega s stock repurchase proposal which was set forth in a standstill letter and term sheet. After concluding negotiation, Zapata and Omega s counsel prepared and finalized a standstill letter agreement and term sheet embodying Omega s stock repurchase proposal.

On August 18, 2006, Zapata s counsel advised the potential financial buyer of Zapata s remaining issues with the proposed transaction. The potential financial buyer did not respond and ultimately, no agreement was reached with the potential financial buyer.

On August 23, 2006, Zapata management presented the Zapata Board of Directors with a standstill letter agreement and term sheet setting forth the stock repurchase proposal. Zapata management and counsel reviewed the proposal and the status of the negotiations with the potential financial buyer. Zapata directors reviewed and discussed the proposal and factors discussed below under the heading THE PROPOSED SALE OF OUR OMEGA SHARES Reason for the Sale. Following their review, the Zapata Board of Directors authorized Zapata s management to execute the standstill letter agreement and term sheet, to engage a firm to provide a fairness opinion and to engage counsel to negotiate and finalize definitive documents for the transaction.

From August 25, 2006 until September 8, 2006, counsel for Zapata and Omega conducted negotiations to finalize the stock purchase agreement and ancillary documents, including the amended and restated registration rights agreement and the escrow agreement. Upon concluding negotiations over the terms of these documents, Zapata management provided Zapata s Board of Directors with the final form of stock purchase agreement, amended and restated registration rights agreement and escrow agreement together with a copy of the final form of Ableco Finance LLC commitment letter presented to Omega and the last draft of the stock purchase agreement proposed by the potential financial buyer.

On September 7, 2006, Zapata s directors convened to consider and vote on the proposal to sell Zapata s Omega shares pursuant to the stock purchase agreement and under certain other circumstances. Zapata s legal advisors attended the meeting and reviewed with the directors their fiduciary duties and the transaction terms and other legal issues, as well as the fact that no response had been received from the last communication sent to the potential financial buyer regarding open issues. At the meeting, Zapata management presented a number of issues, including Omega s financial performance and condition, stock trading price and volume history and anticipated accounting treatment and tax consequences for the proposed transactions. A representative of Empire Valuation Consultants, LLC also attended the meeting. After reviewing Empire s experience and credentials and engaging in a discussion regarding Empire s valuation procedure and certain aspects of its valuation process and considerations relevant to Zapata, the Omega shares, and Omega s business, Empire rendered its opinion that as of September 7, 2006, the purchase price to be paid to Zapata for its Omega shares at the initial closing under the stock purchase agreement and the sale of Zapata s remaining Omega shares pursuant to the call option granted under the stock purchase agreement or to a third party at a price of $4.50 per share or more was fair from a financial point of view to Zapata and its stockholders. The representative of Empire indicated that he expected that Empire would be able to deliver its written opinion the next day. Following the presentations and a discussion, the Zapata Board of Directors approved the sale and in doing so, considered a number of favorable factors supporting the sale as well as negative factors militating against the sale. See THE PROPOSED SALE OF OUR OMEGA SHARES Reasons for the Sale.

On September 8, 2006, the parties entered into a stock purchase agreement providing for the purchase of 9,268,292 of our Omega shares at a final price of $5.125 per share and a call option at a price of $4.50 per share, subject to certain terms and conditions, with respect to the remaining Omega shares held by Zapata on the date of exercise of the call option. In addition, on the same date Zapata s majority stockholder, the Malcolm I. Glazer Family Limited Partnership, or the Glazer Partnership, executed a written consent pursuant to which it authorized the sale by Zapata of its Omega shares.

The parties announced the transaction on September 8, 2006.

On October 18, 2006, we entered into a letter agreement with Omega amending the stock purchase agreement to suspend Omega s obligation to file the shelf registration statement on Form S-3 for the resale of the remaining 5,232,708 Omega shares with the SEC as promptly as practicable after the date of the stock purchase agreement, but no less than 20 business days thereafter. We further agreed with Omega, that Omega will file the Form S-3 with the SEC by the new deadline set by us, notification of which will precede the new deadline by at least 15 business days and will be given in writing.

Reasons For the Sale

Our Board of Directors has concluded that our sale of Omega shares as described in this Information Statement is in Zapata s best interests. In arriving at this conclusion, our Board of Directors considered a number of factors, including the following favorable factors supporting the sale:

Our lack of any dividends or other financial return from our Omega investment since Omega s 1998 initial public offering;

The historic trading price and volume of Omega s stock;

The fact that we had not received any firm offers for our Omega shares involving cash consideration exceeding that offered by Omega on a per share basis since our public announcement regarding the availability of our Omega shares;

Omega s historical financial performance and condition;

Omega s prospects and the uncertainties and risks in Omega s business, including, among other things, the uncertainty of Omega Pure s acceptance by the marketplace, the uncertainty of future menhaden catches due to natural causes, the fluctuating oil yield from menhaden catches, high energy costs, risks associated with hurricanes and storms, government regulation that restrict or prohibit menhaden or purse seine fishing and world wide supply and demand relationships;

The terms of the proposed sale contemplated by the stock purchase agreement, including limited representations and warranties, the immediate registration of our remaining Omega shares, Omega s agreement to cooperate and assist in the disposition of our remaining Omega shares and the improved terms to our registration rights which can be assigned to certain purchasers of our remaining Omega shares;

The expeditious manner in which the transaction could be completed and the lack of any foreign ownership issues as a condition to closing;

The issuance of a commitment letter to Omega by Ableco Finance LLC and the payment upon acceptance by Omega of a $487,500 commitment fee and a $150,000 expense deposit;

The opportunity for us to increase funds available to finance future acquisitions and strategic opportunities;

Presentations by, and discussions with, our senior management and representatives of our financial and legal advisors regarding the proposed transaction;

The risk that in an alternative transaction with a third party, Omega s management could seek alternate employment in light of the uncertainty presented by the change of control of Omega and receive significant change of control payments;

Empire s fairness opinion dated September 8, 2006;

TM Capital s solvency opinion dated September 8, 2006 and the reliance letter issued to us;

The consideration to be received by Zapata pursuant to the stock purchase agreement (or pursuant to a third party sale of the remaining Omega shares not sold to Omega) and the transactions contemplated thereby, taken as a whole, is fair, from a financial point of view, to Zapata and its stockholders; and

The fact that the majority of the taxable gain from the sale of the Omega shares is expected to be offset by our existing net operating loss carry forwards for federal income tax purposes.

Our Board of Directors believed that each of the foregoing factors to be the benefits of the sale. In reaching its conclusion, our Board of Directors also considered the following negative factors militating against the sale:

we will experience diminished influence and control of Omega as a result of (i) the required resignations of our two representatives from the Omega board of directors and (ii) the voting agreement and proxy with respect to our remaining shares that will become effective as of the initial closing;

the applicability of Nevada corporate surplus laws to Omega s repurchase and existence of fraudulent conveyance laws;

Omega s operations will no longer be consolidated with us and, accordingly, Omega s operations will be reflected by the equity method in our financial statements and operations; and

the risk that after expenditure of significant time and resources, the transaction will not be completed due to, among other possibilities, Omega s financing conditions not being fulfilled.

Our Board of Directors viewed its determination and approval as being based on the totality of the information presented. In considering all the factors described above, individual directors may have given different weight to different factors. Our Board of Directors considered all these factors as a whole to be favorable to us, and to support its determination to approve the sale.

Description of the Terms of the Stock Purchase Agreement

The following is a summary of significant provisions of the stock purchase agreement. The summary does not provide a complete description of all the terms and conditions of the stock purchase agreement, which is attached as Appendix A (without schedules or exhibits). The stock purchase agreement should be read in its entirety for a complete understanding of its terms.

Structure of the Sale and Price.
The stock purchase agreement provides that, upon the satisfaction, or waiver, if necessary, of certain other conditions, Omega will acquire from us 9,268,292 Omega shares. The purchase price for these shares is $5.125 per share, or $47.5 million in the aggregate. Omega will finance this purchase with debt financing.

An independent special committee of Omega s Board of Directors, which did not include either of Zapata s two representatives, Avram Glazer and Leonard DiSalvo, approved the transaction. Omega s Board of Directors and its special committee received the opinions of TM Capital Corp., an independent financial advisor to the special committee, regarding the fairness, from a financial point of view, to Omega s stockholders (except for Zapata) of the purchase price being paid at the initial closing for our Omega shares, and the solvency of Omega following the consummation of the transactions contemplated by the stock purchase agreement and Omega s debt financing pursuant to the commitment letter referred to below. TM Capital provided us with a reliance letter allowing us to rely on the solvency opinion, although its opinion was otherwise furnished solely for the benefit of the special committee and the Board of Directors of Omega. TM Capital has consented to the inclusion of the summary of its solvency opinion in this Information Statement.

TM Capital is a New York and Atlanta based merchant banking and financial advisory firm. On September 8, 2006, TM Capital delivered certain of its analyses and its oral opinion to Omega s special committee, subsequently confirmed in writing, to the effect that and subject to the various assumptions set forth therein, as of that date, assuming the transaction and financing had been consummated as proposed, immediately after and giving effect to the transaction and on a pro forma basis:

Omega would be able to pay its debts as they become due in the usual course of business;

Omega s total assets would be greater than or equal to the sum of (i) Omega s total liabilities and (ii) the amount that would be needed, if Omega were to be dissolved at the time of the transaction, to satisfy the preferential rights upon dissolution of stockholders whose preferential rights are superior to those receiving the proceeds of the transaction;

the fair value of Omega s assets would exceed its stated liabilities and identified and valued contingent liabilities; and

the capital remaining in Omega after the transaction would not be unreasonably small for the business in which Omega is engaged, it is now conducted and is proposed to be conducted following the consummation of the transaction.

The opinion valued Omega and the assets of Omega on a going-concern basis (including goodwill), on a pro forma basis.

TM Capital provided its solvency opinion with the understanding that Omega s Board of Directors (including the special committee thereof) would consult with and rely solely upon their own legal counsel with respect to the legal definition of terms related to the solvency opinion and TM Capital made no representations as to any legal matter or as to the sufficiency of said definitions for any purpose other than setting forth the scope of its opinion. TM Capital was not engaged to identify prospective purchasers, to ascertain the actual prices at which and terms on which Omega or the assets of Omega could be sold and did not express any opinion as to whether Omega would actually be sold for the amount TM Capital believes to be its fair value.

In connection with its solvency opinion, TM Capital made such reviews, analyses and inquiries as it deemed necessary and among other things, it:

- reviewed Omega s SEC filings and board meetings minutes;
- reviewed information, relating to Omega s business, earnings, cash flow, assets and prospects;
- visited Omega s headquarters and discussed with senior management Omega s operations, financial condition, future prospects, operations and performance;
- reviewed drafts of the stock purchase agreement and financing commitment letter from Ableco;
- reviewed the historical market prices and trading activity of Omega s common stock;
- compared financial information for Omega with that of publicly traded companies it deemed to be relevant;
- reviewed the representation letter from Omega as of the date of the opinion;
- compared the proposed financial terms of the transaction with the financial terms of other common stock repurchase transactions which it deemed to be relevant;
- reviewed an actuarial valuation related to Omega s pension plan from February 2006; and
- reviewed other financial studies and analyses and performed other investigations and took into account such other matters as it deemed necessary, including its assessment of general economic, market and monetary conditions.

In its review and analysis and in reaching the conclusions expressed in its opinion, TM Capital relied upon the accuracy and completeness of all the financial and other information made available to it by Omega, discussed or reviewed by or for it, or that was publicly available. TM Capital also relied upon certain representations made to it by Omega s management and upon assurances of the management of Omega that they were unaware of any facts that would make the information provided to it incorrect, incomplete or misleading. Omega management also advised TM Capital that there was no adverse change that, either individually or in the aggregate, had or could reasonably be expected to have a material effect on the assets, business, properties, liabilities, financial condition, results or prospects of Omega since June 30, 2006. TM Capital did not make any independent appraisal of the properties or assets of Omega. There were no limitations placed on the scope of TM Capital s review.

TM Capital s opinion did not address the relative merits of the transaction as compared to other transactions or business strategies discussed by the special committee or the Board of Directors of Omega as alternatives to the transaction or the decision of the special committee and the Board of Directors of Omega to proceed with the transaction. The opinion did not address any tax matters or the impact of any tax matters that arise from the transaction.

TM Capital acted as financial advisor to Omega in connection with the transaction. TM Capital received a fee from Omega in connection with the rendering of the solvency opinion and a separate fairness opinion, neither of which was contingent upon the conclusion reached in the opinions or the consummation of the transaction. In addition, TM Capital will be receiving a fee in connection with the consummation of the transaction. TM Capital also served as financial advisor to Omega in the past, without respect to this transaction, and has received fees for such services.

Concurrently with the execution and delivery of the stock purchase agreement, Omega s executive officers confirmed, in writing, that neither the agreement nor the transactions contemplated thereby, including the sale by us of shares to Omega, either initially or pursuant to the call option, will constitute a change of control for the purposes of their employment or change of control agreements with Omega.

Omega s Financing of the $47.5 Million Purchase Price.

Concurrent with the execution and delivery of the stock purchase agreement, Omega and Ableco Finance LLC, an affiliate of Cerberus Capital Management, L.P., entered into a commitment letter, pursuant to which the Ableco agreed, subject to the terms and conditions therein, to provide Omega with a senior secured financing facility in the maximum aggregate amount of $65 million to (i) acquire the 9,268,292 Omega shares (exclusive of the fees and expenses related to such financing), (ii) to fund Omega s ongoing working capital requirements, including, establishing a letter of credit sub-facility and (iii) to pay the fees and expenses related to such financing. The facility will consist of a $30 million revolving credit facility (including a $5,000,000 subfacility for the issuance of letters of credit) and a $35 million term loan facility. Such revolving credit facility will replace Omega s existing $20 million credit facility with Bank of America, N.A.

On October 20, 2006, Omega, its principal subsidiary, Omega Protein, Inc., certain other direct and indirect subsidiaries of Omega, certain financial institutions and Abelco, as collateral agent and administrative agent, entered into the financing agreement contemplated by the Ableco commitment letter pursuant to which the lenders agreed to provide Omega with a senior secured financing facility in the maximum amount of $65 million (i) to acquire the 9,268,292 Omega shares, (ii) to fund Omega s ongoing working capital and other general corporate requirements and (iii) to pay the fees and expenses related to the financing. The financing facility consists of (a) a revolving credit facility of up to $30 million outstanding at any time, including a $5 million subfacility for the issuance of letters of credit, and (b) a term loan facility of $35 million.

Escrow.

Concurrent with the execution and delivery of the stock purchase agreement, Zapata, Omega and Manufacturers and Traders Trust Company, as escrow agent, entered into an escrow agreement. On or before October 23, 2006, Omega is required to consummate its debt financing with Ableco and deposit the $47.5 million purchase price with the escrow agent, pending the closing of the sale. On or before the same date, we are obligated to deposit with the escrow agent stock certificates evidencing the 9,268,292 Omega shares being purchased by Omega together with blank stock powers. The deposits of the $47.5 million purchase price by Omega and the stock certificates by Zapata were made with Manufacturers and Traders Trust Company as of the October 23, 2006 deadline. All interest accrued on the escrowed purchase price will be paid to Omega at the closing. If this accrued interest is less than the pre-default interest payable by Omega with respect to the $47.5 million which it has borrowed from Ableco in order to fund the escrow, then we will be required to pay Omega at closing this difference. All dividends or distributions declared or paid with respect to the escrowed Omega shares, if any, and all accrued interest on such dividends or distributions will be paid to Omega at the closing.

Amended and Restated Registration Rights Agreement.

Concurrent with the sale of our 9,268,292 Omega shares, Omega is required to provide us with an amended and restated registration rights agreement. This agreement amends and restates our April 12, 1998 registration rights agreement with Omega which grants to us demand and piggyback registration rights and is assignable, subject to certain conditions, to subsequent purchasers of our Omega shares.

Material changes to the 1998 registration rights agreement incorporated into the amended and restated registration rights agreement, include, among other things, that:

Omega is not obligated to file a registration statement relating to a demand registration request if such registration request is for a number of registrable securities having a fair market value of less than $3.5 million rather than the previous $10 million transaction size;

Zapata or permitted transferees of more than 30% of the registrable securities are entitled to two demand registration requests (not including the registration on Form S-3 required by the stock purchase agreement) and permitted transferees of 30% or less and 10% or more of the registrable securities are entitled to one demand registration request;

registration statements filed pursuant to such agreement will be prepared and filed by Omega with the SEC as soon as practicable, but in no event later than 30 days (60 days if the applicable registration form is other than Form S-3) after the date notice is given, and that Omega will use its best efforts to cause the same to become effective as soon as possible after the date notice is given;

subject to certain conditions, transfers of registration rights will be effective when Omega has received written notice at the time of or within a reasonable time after said transfer; and

the agreement may be amended only by a written instrument duly executed by Omega and the holders of more than 50% of the registrable securities.

Closing of the Sale.
The closing of our sale of 9,268,292 Omega shares to Omega is required to take place on the second business day after the conditions set forth in the stock purchase agreement have been satisfied or waived. We expect this to occur in the fourth quarter of 2006.

Zapata s Representations and Warranties.
We have made representations and warranties in the stock purchase agreement with respect to the following matters:

our corporate organization and existence;

our corporate power and authority, authorization, and approval and the binding effect on us of the stock purchase agreement and escrow agreement and, when executed, the amended and restated registration rights agreement;

our ownership of our Omega shares and lack of encumbrances thereon;

our compliance with applicable law and lack of conflicts;

the lack of pending or threatened litigation against us with respect to the stock purchase agreement or which would be material in that context; and

the lack of any other brokers or fees due to others as a result of our actions in connection with the stock purchase agreement and transactions contemplated thereby.

Omega s Representations and Warranties.
Omega has made representations and warranties in the stock purchase agreement with respect to the matters listed below:

Omega s organization and existence;

Omega s power and authority, authorization, and approvals and the binding effect of the stock purchase agreement and escrow agreement on it and when executed, the amended and restated registration rights agreement;

Omega s receipt of a fairness opinion and a solvency opinion from TM Capital;

Omega s consents and approvals;

Omega s compliance with applicable law and lack of conflicts, except for agreements relating to existing financing;

the lack of pending or threatened litigation involving Omega with respect to the stock purchase agreement or which would be material in that context;

Omega having surplus and being solvent as required under Nevada law for stock repurchases and solvent under fraudulent conveyance laws both before and after giving effect to Omega s purchase of the 9,268,292 Omega shares from us and the concurrent closing of Omega s new debt financing;

the accuracy, truth and completeness of Omega s reports filed since January 1, 2003 under the Securities Exchange Act of 1934;

the accuracy of information provided by Omega to us for inclusion in this Information Statement;

Omega s responsibility for the fees and expenses of TM Capital and Cerberus Capital Management, L.P. and the lack of any other brokers or fees due to others as a result of Omega s actions in connection with the stock purchase agreement and transactions contemplated thereby;

information concerning Omega s commitment letter dated September 8, 2006 issued to Omega by Ableco Finance, LLC, an affiliate of Cerberus Capital Management, L.P.;

Omega s acquisition of Omega shares from us for its own account and not for resale; and

Omega s lack of ownership of Zapata stock.

Mutual Covenants.
In the stock purchase agreement, we have agreed with Omega, among other covenants, to:

use reasonable best efforts to take all actions and things necessary to consummate the sale as promptly as practicable, including obtaining any necessary consents or authorizations;

cooperate and consult prior to issuing any press release or public announcement; and

indemnify each other and their related parties on specified terms and conditions.

Zapata Covenants.
In the stock purchase agreement we agreed in favor of Omega, among other covenants, to:

within ten (10) business days following the execution of the stock purchase agreement, prepare and file a preliminary Information Statement with the SEC to use our reasonable best efforts to promptly respond to the comments of the SEC, if any, and to mail a definitive Information Statement to our stockholders;

prior to closing, not solicit or participate in discussions for or approve or enter into another transaction for the sale of in excess of 5,232,708 Omega shares less any Omega shares we sell prior to the initial closing under the stock purchase agreement; and

not acquire any additional Omega shares until the earlier to occur of the termination of the stock purchase agreement or the expiration of the call option period on the 390^{th} day after the initial sale closing under the stock purchase agreement.

Omega Covenants.
In the stock purchase agreement Omega has agreed in favor of Zapata, among other covenants, to:

from the initial closing until the date on which our remaining Omega shares become freely transferable under SEC Rule 144(k), use its reasonable best efforts to continue to be qualified to register its securities on Form S-3, file all required reports with the SEC, exclude Zapata and its Omega shares together with any subsequent transferee or holder thereof from any rights plan, charter or bylaw amendment or board resolution or any similar action that would prohibit, frustrate or adversely affect Zapata s ability to sell or distribute its Omega shares, and cause its officers and employees, subject to certain conditions, to cooperate and assist Zapata in the sale of its Omega shares, including promptly, accurately and fully responding to the questions and due diligence inquiries, making management presentations and participating in investor meetings;

maintain, directors and officers liability insurance covering a period of six years after the initial closing covering Avram A. Glazer and Leonard DiSalvo with respect to claims arising from facts or events that occurred on or before the initial closing date, on terms and conditions no less favorable than those currently in effect for such directors on the date of the stock purchase agreement;

use its reasonable best efforts to arrange and obtain as promptly as practicable (and in any event within 45 days of the date hereof) the proceeds of its new debt financing on the terms and conditions described in the Ableco commitment letter and not make any material amendments or modifications thereto;

file a shelf registration statement on Form S-3, within 15 business days of our written notice to Omega, for the resale of our remaining Omega shares and to use its reasonable best efforts to cause the registration statement to become effective and remain effective for a period of 390 days after the initial closing or, if shorter, until the earlier of the date when all of our remaining Omega shares have been sold pursuant to such registration statement, and the first date on which we may sell all of our remaining Omega shares held without registration pursuant to Rule 144 within a three-month period; and

during the period that Omega is required to maintain the Form S-3 registration statement in effect, not sell, make any short sale of, loan, grant any option for the purchase of (other than pursuant to employee benefit plans), effect any public sale or distribution of or otherwise dispose of any of its equity securities in public sales except as may be required under the amended and restated registration rights agreement with Zapata or pursuant to registrations on Form S-8 or solely with respect to the offering of securities in connection with a transaction that requires the use of a Form S-4 that is not an offering of securities for cash.

Conditions to Closing of the Sale.
The obligation of the parties to close on the initial sale of the 9,268,292 Omega shares under the stock purchase agreement is subject to the satisfaction or waiver of various conditions, including, without limitation, the following conditions:

The other party s representations and warranties being true at the initial closing in all material respects;

The other party having performed each of the obligations required to be performed by it under the stock purchase agreement on or prior to the closing date;

The 20 day stockholder notice period following the delivery of this Information Statement, as required by Regulation 14C of the SEC, having expired;

The lack of a restraining order, injunction or other legal restraint relating to the sale being issued by a governmental entity;

The NMFS consent having been obtained;

A legal opinion having been received from the other party s counsel; and

TM Capital Corp. having issued a certificate in which it confirms the TM Capital solvency opinion as of the closing date and Zapata s right to continue to rely thereon; provided, however, that if TM Capital Corp. is unwilling or unavailable to deliver such certificate, Omega is required to use its reasonable best efforts to engage another investment banking firm and provide it with the necessary background materials for the purposes of delivering such certificate.

Additionally, Omega s obligation to close on the initial sale is subject to the closing of a new debt facility contemplated by the Ableco commitment letter and the receipt of the resignations of Avram A. Glazer and Leonard DiSalvo from Omega s board of directors and any committee thereof. On October 20, 2006, Omega entered into the financing agreement contemplated by the Ableco commitment letter pursuant to which Ableco and certain other lenders agreed to provide Omega with a senior secured financing facility in the maximum amount of $65 million. Thereafter, in accordance with the terms of the stock purchase agreement, Omega deposited the purchase price for the 9,268,292 Omega shares and we deposited the stock certificates for the Omega shares in escrow with Manufacturers and Traders Trust Company. Omega also received the NMFS consent.

Termination of the Agreement.
The stock purchase agreement may be terminated and the transactions contemplated hereby abandoned at any time prior to the initial closing, subject to certain conditions:

by mutual written consent of Omega and Zapata;

by Omega or Zapata, if an order has been entered by a governmental authority restraining, enjoining or otherwise prohibiting the consummation of the sale of the Omega shares and such order is final and non-appealable;

by Omega or Zapata, if the closing does not occur on or before December 7, 2006 (which period shall automatically be extended for up to an additional 45 days if Zapata has not received clearance of the Information Statement by the SEC),

by Omega, if (i) Zapata s Board of Directors has withdrawn or modified or changed in a manner adverse to Omega, its approval of the stock purchase agreement or the sale of Zapata s Omega shares, or has approved an alternative acquisition proposal of the shares, (ii) Zapata accepts an offer or otherwise enters into an agreement to consummate or consummates an alternative acquisition proposal of the shares, or (iii) Zapata fails to perform in any material respect its obligations in connection with an Acquisition Proposal or Superior Proposal;

by Omega or Zapata, as applicable, if there has been a material violation or breach by Zapata or Omega, as applicable, of any covenant, representation or warranty contained in the stock purchase agreement which has prevented the satisfaction of any condition to the obligations of Omega or Zapata, as applicable, at the initial closing unless in the case of a covenant breach such breach is cured within 10 days after notice of the breach is given by the other party; or

by Zapata, if our Board of Directors determines that an alternative acquisition proposal of the 9,268,292 Omega shares is a superior proposal, as defined in the stock purchase agreement.

Superior proposal is defined in the stock purchase agreement to mean any acquisition proposal (on its most recently amended or modified terms, if amended or modified) (i) involving the acquisition of the 9,268,292 Omega shares subject to the stock purchase agreement and (ii) with respect to which the Zapata s Board of Directors (A) determines in good faith that such acquisition proposal, if accepted, is reasonably likely to be consummated on a timely basis, taking into account all legal, financial, regulatory and other aspects of the acquisition proposal and the person making the acquisition proposal, (B) determines in its good faith judgment (based on, among other things, the advice of its outside financial advisor) to be more favorable, from a financial point of view, to Zapata s stockholders than the sale of the Omega shares to Omega taking into account all relevant factors (including whether, in the good faith judgment of the Zapata s Board of Directors, after obtaining the advice of such financial advisor, any proposed changes to the stock purchase agreement that may be proposed by Omega in response to such acquisition proposal) and (C) which provides that any requisite external financing (sufficient to pay the cash portion, if any, of the proposed transaction consideration and expenses related thereto) is either then committed or otherwise funded and not subject to any contingency other than those contained in the Ableco commitment letter

Expense Reimbursement.

Omega may be required to reimburse us for our actual out-of-pocket documented expenses up to a maximum of $1 million if we terminate the stock purchase agreement based on Omega s material breach of the stock purchase agreement. We may be required to reimburse Omega for its actual out-of-pocket documented expenses up to a maximum of $1.3 million if we terminate the stock purchase agreement, or if our Board of Directors withdraws or modifies its approval of the stock purchase agreement in a manner adverse to Omega, in order to accept a superior proposal to purchase our Omega shares that are to be sold at the initial closing or we materially breach the stock purchase agreement. These rights of reimbursement are in addition to any other right or remedy that Omega or Zapata, as applicable, may have available at law or equity.

Call Option.

Pursuant to the stock purchase agreement, we granted Omega a call option entitling Omega, at its election and subject to certain conditions, to purchase, all, but not less than all, of our remaining 5,232,708 Omega shares not initially purchased by Omega and which we continue to hold on the date the option is exercised at a price of $4.50 per share, payable in cash. The option may only be exercised, subject to certain conditions, from the 270th day to the 390th day following the consummation of Omega s initial purchase of shares from us pursuant to the stock purchase agreement. The closing with respect to the call option must occur within two business days of Omega s exercising it.

Voting Agreement.

Subject to certain conditions, during the period from the initial closing until the occurrence of a voting agreement termination event (as defined in the stock purchase agreement), we have agreed that if any action is submitted to the holders of Omega common stock for their approval, whether at a meeting or by written consent, we will cause to be voted all Omega shares to which we have the right to vote or direct the vote in favor of the directors nominated by Omega s Board of Directors or a committee thereof and in favor of all actions approved and recommended by the Omega s Board of Directors. We have also granted an irrevocable proxy to the Chief Executive Officer and Chief Financial Officer of Omega to vote all of our Omega voting securities at any such meeting (and at any adjournment or adjournments thereof) or with respect to any such written consent in the manner described in the preceding sentence. The stock purchase agreement contains provisions whereby we have the right to assert the occurrence of a voting agreement termination event and to terminate the effectiveness of the proxy.

Under the stock purchase agreement, voting agreement termination event means the earlier to occur of the following dates (i) the last day of any 12 calendar month period in which Omega s trailing 12-month EBITDA (as defined in the stock purchase agreement) is less than $15 million, (ii) the continuation of an uncured or unwaived event of default or default for more than 30 days on one or more of Omega s outstanding indebtedness for borrowed money in excess of $1 million or (iii) the first day following the expiration of Omega s call option that the average closing price of Omega s common stock for 10 consecutive trading days is less than $4.50 per share. The stock purchase agreement defines EBITDA to mean for the applicable period, Omega s consolidated net income (loss) before interest, taxes, depreciation and amortization, excluding any non-recurring, extraordinary or unusual income, gains or charges (including, without limitation, the Loss resulting from natural disaster, net (see Note 11 Hurricane Losses) disclosed in Omega s Quarterly Report on Form 10-Q for the period ended September 30, 2005 filed with the SEC), all as determined in accordance with the generally accepted accounting principles applied on a consistent basis. For purposes of the forgoing, net income excludes the income or loss of any entity accrued prior to the date on which it becomes a subsidiary or is merged into or consolidated with Omega or any subsidiary of Omega or the date on which such entity s assets are acquired by Omega or any consolidated subsidiary of Omega.

Expenses.

Except as provided above, each party bears its own expenses in connection with the stock purchase agreement and the sale of our Omega shares, including, without limitation, all fees of respective legal counsel, investment advisors and accountants.

Fairness Opinion

Our Board of Directors retained Empire Valuation Consultants, LLC to render an opinion to it as to the fairness, from a financial point of view, to Zapata and its stockholders of the consideration to be received under the stock purchase agreement pursuant to the initial sale and the call option, as well as any other sale of our Omega shares remaining after the initial sale which are sold to third parties, either in public or private sales, at a price equal to or in excess of $4.50 per share. On September 7, 2006, Empire delivered its analyses and oral opinion to our Board of Directors, subsequently confirmed in writing, to the effect that and subject to the various assumptions set forth therein, as of that date. Empire subsequently delivered its written opinion to the same effect as it had provided at the September 7, 2006 meeting of our Board of Directors.

The full text of the written opinion of Empire, dated September 8, 2006, is attached as Appendix C and is incorporated by reference. Empire has reviewed Appendix C as well as the summary of its opinion set forth in this Information Statement and has consented to the inclusion of its opinion and the summary of such opinion in this Information Statement. Our stockholders are urged to read the opinion in its entirety for the assumptions made, procedures followed, other matters considered and limits of the review by Empire. The summary of the written opinion of Empire set forth herein is qualified in its entirety by reference to the full text of such opinion. Empire s analyses and opinion were prepared for and addressed to our Board of Directors and do not constitute an opinion as to the merits of the transaction (other than the fairness thereof) or a recommendation to any stockholder. Empire s analyses and opinion also did not take into consideration any tax issues related to the sale of the Omega shares. The consideration received in the transaction was determined through negotiations between Zapata and Omega and not pursuant to the recommendation of Empire.

In arriving at its opinion, Empire reviewed and considered such financial and other matters as it deemed relevant, including, among other things:

- reviewed Omega s SEC filings for the past five years through the present date;
- reviewed the historical trading prices, volumes and volatilities of Omega s common stock;
- discussed Omega s business, product lines, markets, financial condition, competition, and outlook with Leonard DiSalvo, Zapata s Vice President Finance and CFO and a member of Omega s Board of Directors;
- reviewed Zapata s SEC filings for the past five years through the present date;

reviewed Zapata s consolidating balance sheet and income statement for the period ending June 30, 2006;

discussed with Zapata s representatives its efforts in 2005 and 2006 to sell all of its interest in Omega including documents and communications pertaining to a prior negotiation of an Omega stock sale that was discontinued in August 2006;

reviewed the minutes of Zapata s Board of Directors meetings for July 13, 2006 and August 23, 2006;

reviewed the historical trading prices, volumes and volatilities of Zapata s common stock;

reviewed a draft copy the stock purchase agreement dated as of September 8, 2006;

reviewed a copy of the fully executed standstill letter agreement and term sheet between us and Omega dated August 23, 2006;

reviewed the TM Capital solvency opinion and the reliance letter issued to us;

reviewed a draft of the commitment letter dated September 8, 2006 from Ableco Finance LLC addressed to Omega with respect to the financing for the transaction;

compared the proposed terms of the transaction with the financial terms of certain other common stock repurchase transactions which it deemed to be relevant;

compared the implied restricted stock discount for the Omega block of stock with published data for sales of restricted stock; and

considered such other information, financial studies, and analyses as it deemed relevant, and performed such analyses, studies, and investigations as it deemed appropriate.

In conducting its review and arriving at its opinion, Empire, with management s consent, assumed and relied, without independent investigation, upon the accuracy and completeness of all financial and other information provided to it by Zapata or which was publicly available. Empire did not undertake any responsibility for the accuracy, completeness or reasonableness of, or attempt independently to verify, this information.

In addition, Empire did not conduct any physical inspection of the properties or facilities of Omega. Empire further relied upon the assurance of our management that they were unaware of any facts that would make the information provided to Empire incomplete. There were no limitations placed on the scope of Empire s review.

Empire did not make or obtain any independent evaluations, valuations or appraisals of Omega s assets or liabilities, nor was Empire furnished with these materials. Empire expressed no opinion with respect to legal matters. Empire s services to us in connection with the transaction only included rendering the fairness opinion described herein. Empire s opinion was necessarily based upon economic and market conditions and other circumstances as they existed and could be evaluated by Empire on the date of its opinion. It should also be understood that although subsequent developments may affect its opinion, Empire does not have any obligation to update, revise or reaffirm its opinion and Empire expressly disclaims any responsibility to do so.

Empire s opinion does not constitute a recommendation to any Zapata stockholder and is limited to the opinion expressed therein. Empire provides no opinion as to the underlying business reasons that may support the decision of our Board of Directors to approve, or our decision to consummate, the sale of our Omega shares.

Empire s opinion and analyses were only one of many factors considered by our Board of Directors in its evaluation of the sale of our Omega shares and should not be viewed as determinative of the views of our Board of Directors or management with respect to the sale.

Regulatory Approvals

Within 30 days following our sale to Omega of 9,268,292 Omega shares, Omega must notify the United States Department of Transportation, Maritime Administration, of the change in ownership of Omega s stock pursuant to 46

C.F.R Section 356.5. This is not a condition to the closing as it is not required to take place until after the closing. Except for this filing and the filing of this Information Statement with the SEC (and such other reports as may be required, if any, under the Exchange Act) we are unaware of any material federal, state or foreign regulatory requirements or approvals required for the sale by us of all our Omega shares.

Stockholder Consent to the Sale Proposal

Under Nevada law, the sale of all or substantially all our assets requires the affirmative vote of the holders of at least a majority of the voting shares of our outstanding common stock as of the record date. Omega represents a substantial portion of our assets, revenues and operating income. Although we are only selling a portion of our Omega shares in the initial closing and we will continue to own substantial assets, including cash and cash equivalents, to remove any doubt whether the transaction has been properly approved under Nevada law, we conditioned the transaction on stockholder approval.

The record date for determining the stockholders who are entitled to give a written consent for the sale proposal is September 8, 2006. As of September 8, 2006, we had 19,182,456 shares of our common stock outstanding. Each share of common stock is entitled to one vote. We do not have any class of voting securities outstanding at this date other than our common stock.

Under Nevada law and Zapata s organizational documents, the required stockholder approval may be accomplished by written consent of the stockholders holding a majority of the outstanding shares of our capital stock entitled to vote, voting as a class. Our majority stockholder, The Malcolm I. Glazer Family Limited Partnership, which holds 9,813,112 shares of our common stock, or approximately 51.2% of our outstanding shares of common stock, provided us with a written consent dated September 8, 2006 approving the proposed sale of our Omega shares pursuant to the stock purchase agreement, the sale of our 5,232,708 remaining shares in an alternative transaction approved by our Board of Directors and the sale of all of our Omega shares in a superior proposal (as defined in the stock purchase agreement) as determined by our Board of Directors. Federal securities laws state that the sale proposal contemplated by the written consent may not be completed until 20 days after the date this Information Statement is sent or given to Zapata stockholders. Therefore, notwithstanding the execution and delivery of the written consent, the sale transaction will not occur until that time period has elapsed and the other conditions under the stock purchase agreement are satisfied or waived.

Accounting Treatment

We anticipate that the sale of 9,268,292 shares of our Omega shares to Omega will result in the recognition of a net loss for book purposes. Based on the $5.109 per share value implied by the contemplated sale under the stock purchase agreement (the sale price of $5.125 less the amount estimated for the call option value), we concluded that we expect to record an estimated impairment charge of approximately $6.2 million, net of tax effects, in the third quarter of fiscal 2006 with respect to our Omega shares. This includes an estimated impairment charge on the remaining 5,232,708 shares of approximately $3.7 million, net of taxes, which would be recorded in accordance with SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets.

The exact amount of the total impairment recognized will depend upon a number of factors and will not be known until the conclusion of the sale of all of our Omega shares to Omega. First, Omega s financial statements will continue to be consolidated with ours until the closing of the stock purchase agreement. Generally, the ultimate loss recognized on the transaction will increase (decrease) as we consolidates net income (loss) related to Omega s operations.

Second, the amount of the impairment on the remaining shares will be affected by the price at which our ultimately agrees to sell the remaining shares. Our Board of Directors has authorized us to seek purchasers for our remaining 5,232,708 Omega shares at a price of $4.50 per share or higher. If we enter into an agreement to sell the remaining shares at a price above or below $5.109 per share, we would be required to decrease or increase, as appropriate, our estimated impairment charge. Subsequent to the closing of the transaction, we will own approximately 33% of Omega s common stock and will account for our remaining investment in Omega under the equity method, recording our proportionate share of Omega s income (loss) as incurred. Additionally, we believe that the call option that Omega has on the remaining shares does not have material value and is not expected to have a material impact on our financial statements.

Material Federal Income Tax Consequences

Generally, as the expected sale proceeds of $47.5 million exceeds our original tax basis of $33.6 million, the sale will be taxable to us. After adjusting for transaction closing costs, we estimate a taxable gain from the sale of approximately $13.7 million. Because we have adequate loss carryforwards, we expect that our current taxes payable related to the sale will be limited to approximately $274,000. In addition, there will be no direct federal income tax consequences to our stockholders.

No Dissenters Rights

Neither Nevada law, nor our organizational documents, provide our stockholders with dissenters rights or the right to demand appraisal of their shares as a result of the sale of all of our Omega shares as described in this Information Statement.

Interest of Certain Persons in Matters to be Acted Upon

As of the date of this Information Statement, there are no persons who have been a director or officer of Zapata, or any associate of such person, since the beginning of the last fiscal year, that have any substantial interest in the matters acted upon by the written consent other than the options to purchase Omega common stock held by our Chairman of the Board, Chief Executive Officer and President, Avram Glazer. On January 26, 1998, in consideration for Mr. Glazer serving as an Omega director, Omega granted to Mr. Glazer options to purchase 568,200 shares of Omega common stock at any exercise price of $12.75 per share. These options are fully vested. Because the exercise price of these options has generally been greater than the trading price of Omega s common stock, these options generally remained unexercised. These options will expire on January 26, 2008 if unexercised as of that date.

SELECTED FINANCIAL DATA

The following table sets forth certain of our selected historical consolidated financial information for the periods and as of the dates presented and should be read in conjunction with our consolidated financial statements and the related notes and with Management s Discussion and Analysis of Financial Condition and Results of Operations set forth below in this Information Statement. All amounts are in thousands, except for per share amounts.

	For the Six Months Ended June 30,		For the Year Ended December 31,				
	2006	2005	2005	2004	2003	2002	2001(3)(4)
Income Statement Data:							
Revenues	$ 61,641	$ 51,341	$ 109,896	$ 119,645	$ 117,926	$ 117,008	$ 98,836
Operating income (loss)	1,362	(1,956)	(16,404)	912	5,830	15,803	1,838
Net income (loss) from continuing operations	127	(1,471)	(5,774)	(1,520)	354	6,473	4,434
Net income (loss) from discontinued operations(1)		2,013	(3,402)	5,253	538		
Net income (loss) to common stockholders(1)	127	542	(9,176)	3,733	892	6,473	4,434
Net income (loss) per share basic and diluted:							
Income (loss) from continuing operations	0.01	(0.08)	(0.30)	(0.07)	0.02	0.34	0.23

Income (loss) from discontinued operations	0.00	0.11	(0.18)	0.27	0.03		
Net income (loss) per share basic and diluted	0.01	0.03	(0.48)	0.20	0.05	0.34	0.23
Cash dividend paid							
Common stock dividends paid, per share							
Cash Flow Data:							
Capital expenditures	13,467	11,312	17,590	22,907	14,965	7,803	1,972

	As of June 30, 2006	As of December 31, 2005	2004	2003	2002(2)	2001(3)(4)
Balance Sheet Data:						
Working capital	$ 149,347	$ 154,435	$ 141,810	$ 140,818	$ 148,580	$ 133,736
Property and equipment, net	101,430	93,985	97,820	85,332	80,842	82,239
Total assets	304,253	294,354	362,489	359,039	284,977	271,677
Current maturities of long-term debt	2,386	2,443	1,661	1,566	1,270	1,296
Long-term debt	26,454	27,658	15,943	17,605	14,239	15,510
Stockholders equity	172,005	171,684	186,314	182,537	175,262	169,851

(1) During 2005, we sold our approximate 77% ownership interest in Safety Components International, Inc., or Safety, for $51.2 million. Accordingly, we recognized a loss on sale of $9.9 million. Though we sold our shares in Safety for a cash gain compared to the original investment, this transaction related loss resulted from the sales proceeds being less than our carrying value of our investment in Safety. Safety s generation of net income subsequent to our original purchase of the stock increased our carrying value which consisted of our original investment in common stock of Safety and a subsequent capital contribution. We had purchased approximately 84% of the common stock of Safety during 2003 and began consolidating amounts related to Safety s income statement in the fourth quarter of 2003. Such amounts are included under Discontinued Operations for all periods presented.

(2) During 2002, we received a federal tax refund of approximately $17.3 million primarily related to losses realized on the sale in 2001 of certain non-investment grade securities and the sale of our holdings of Viskase Corporation, or Viskase, common stock.

(3) During 2001, we recognized impairment charges of approximately $11.8 million based on adverse market conditions and the sale of non-investment grade securities.

(4) During 2001, we sold our Viskase shares. See Note 3 above.

SELECTED QUARTERLY FINANCIAL DATA (unaudited)

The following table presents certain unaudited consolidated operating results for each of our preceding ten quarters. We believe that the following information includes all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the results for the interim periods presented. The operating results for any interim period are not necessarily indicative of results for any other period. The following unaudited quarterly results reflect restated amounts from our Quarterly Report of Form 10-Q/A for the period ended September 30, 2005 as filed with the SEC on April 5, 2006.

	Quarter Ended March 31, 2006	June 30, 2006
	(In thousands, except per share amounts)	

Revenues	$ 28,303	$ 33,338
Gross profit	6,992	5,336
Operating income (loss)	1,898	(535)
Net income (loss)	486	(359)
Income (loss) per common share basic and diluted:	0.03	(0.02)

	Quarter Ended			
	March 31, 2005	June 30, 2005	September 30, 2005	December 31, 2005
	(In thousands, except per share amounts)			
Revenues	$ 23,831	$ 27,510	$ 31,418	$ 27,137
Gross profit	3,056	3,817	7,386	3,652
Operating (loss) income	(1,386)	(570)	(10,535)	(3,913)
Net (loss) income from continuing operations(1)	(990)	(481)	(3,330)	(973)
Net income (loss) from discontinued operations(1)	1,068	945	(5,831)	416
Net income (loss) available to common stockholders	78	464	(9,161)	(557)
Net (loss) income per common share basic and diluted(1)(2):				
(Loss) income from continuing operations	(0.05)	(0.03)	(0.17)	(0.05)
Discontinued operations	0.06	0.05	(0.31)	0.02
(Loss) income per common share basic and diluted	0.00	0.02	(0.48)	(0.03)

	Quarter Ended			
	March 31, 2004	June 30, 2004	September 30, 2004	December 31, 2004
	(In thousands, except per share amounts)			
Revenues	$ 25,056	$ 26,456	$ 41,501	$ 26,632
Gross profit	3,674	5,393	5,125	1,216
Operating (loss) income	(167)	1,525	1,385	(1,831)
Net (loss) income from continuing operations(1)	(568)	(181)	(76)	(695)
Net income from discontinued operations(1)	2,366	1,018	860	1,009
Net income available to common stockholders	1,798	837	784	314
Net (loss) income per common share basic and diluted(1)(2):				
(Loss) income from continuing operations	(0.03)	(0.01)	(0.00)	(0.04)
Discontinued operations	0.12	0.05	0.04	0.05
(Loss) income per common share basic and diluted	0.09	0.04	0.04	0.02

(1) In accordance with SFAS No. 144, quarterly information has been reclassified to disclose amounts related to Safety as discontinued operations for all periods presented.

(2) Net (loss) income per share has been computed independently for each quarter based upon the weighted average shares outstanding for that quarter. Therefore, the sum of the quarterly earnings per share amounts may not equal the reported annual amounts.

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, the 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 affects prices for Omega s products which may affect comparable period comparisons.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Overview

We were incorporated in Delaware in 1954 and reincorporated in Nevada in April 1999. Our principal executive offices are located at 100 Meridian Centre, Suite 350, Rochester, New York 14618. Our common stock is listed on the New York Stock Exchange and trades under the symbol ZAP.

We are a holding company which currently has one operating company, Omega Protein Corporation, or Omega, in which we had a 58% ownership interest at June 30, 2006. In December 2005, we completed the sale of our 77% ownership interest in Safety Components International, Inc., or Safety. Omega trades on the New York Stock Exchange under the symbol OME and Safety trades on the over-the counter electronic bulletin board under the symbol SAFY. In addition, we own 98% of Zap.Com Corporation, which is a public shell company and trades on the OTCBB under the symbol ZPCM.

On December 8, 2005, we announced that our Board of Directors had authorized management to seek a buyer for our 58% ownership interest in Omega. On September 8, 2006, we entered into a stock purchase agreement with our majority-owned subsidiary Omega which provides for the repurchase of shares of Omega common stock held by us. Under this agreement, Omega has agreed to repurchase 9,268,292 Omega shares from us for a purchase price of $5.125 per share, or $47.5 million in the aggregate, in cash. In the agreement, we also granted Omega a call option to acquire for an exercise price of $4.50 per share, payable in cash, not less than all of our remaining 5,232,708 Omega shares which we do not dispose of prior to the exercise of the option. The option is exercisable from the 270th day until the 390th day after the initial closing under the stock purchase agreement. Our Board of Directors has authorized us to seek purchasers for our remaining 5,232,708 Omega shares at a price of $4.50 per share or higher. Lastly, we may distribute to our stockholders a dividend consisting of all of or a portion of our remaining Omega Shares. There is no assurance, however, that we will be able to sell our remaining Omega shares either to third parties or to Omega pursuant to its call option or that we will distribute our remaining Omega Shares.

Zapata Corporate

We effected an eight-for-one stock split of our outstanding shares of common stock, par value $.01 per share, effective at the close of business on April 6, 2005. Where a number of shares of common stock is listed in this Information Statement for a date or period prior to the effective date of the stock split, that number of shares of common stock has been proportionately adjusted as if the eight-for-one stock split had been in effect on that prior date or during that prior period.

In December 2002, our Board of Directors authorized us to purchase up to 4.0 million shares of our outstanding common stock in the open market or privately negotiated transactions. The shares may be purchased from time to time as determined by us. Any purchased shares would be placed in treasury and may subsequently be reissued for general corporate purposes. The repurchases will be made only at such times as are permissible under the federal securities laws. 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. We reserve the right to discontinue the repurchase program at any time and there can be no assurance that any repurchases will be made. As of the date of this Information Statement, no shares have been repurchased under this program.

We continue to evaluate strategic opportunities for the use of our capital resources, including, but not limited to, the acquisition of other operating businesses, funding of start-up proposals and possible stock repurchases. There are no limits on the type of business or fields in which we may make our acquisitions. While we focus our attention in the United States, we may investigate acquisition opportunities outside of the United States when our management believes that such opportunities might be attractive. Similarly, we do not yet know the structure of any acquisition. We may pay consideration in the form of cash, our securities or a combination of both. We may raise capital through the issuance of equity or debt and may utilize non-investment grade securities as a part of an acquisition strategy. Such investments often involve a high degree of risk and may be considered highly speculative.

Other than previously disclosed in this Information Statement, as of the date of this Information Statement, we are 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 our subsidiaries. There can be no assurance that any of these possible transactions will occur or that they will ultimately be advantageous to us or enhance our stockholder value.

Zap.Com

Zap.Com is a public shell company which has no business operations other than complying with its reporting requirements under the Exchange Act. From time to time, Zap.Com considers acquisitions that would result in it becoming an operating company. Zap.Com may also consider developing a new business suitable for its situation.

Omega Protein

Business. Omega is the largest U.S. producer of protein-rich meal and oil derived from marine sources. Omega s products are produced from menhaden (a herring-like fish found in commercial quantities), and includes regular grade and value-added specialty fish meals, crude and refined fish oils and fish solubles.

Omega produces and sells a variety of protein and oil products derived from menhaden, a species of wild herring-like fish found along the Gulf of Mexico and Atlantic coasts. The fish are not genetically modified or genetically enhanced. Omega processes several grades of fish meal, as well as fish oil and fish solubles. Omega s fish meal products are primarily used as a protein ingredient in animal feed for swine, cattle, aquaculture and household pets. Fish oil is utilized for animal and aquaculture feeds, industrial applications, additives to human food products and as dietary supplements. Omega s fish solubles are sold primarily to livestock feed manufacturers, aquaculture feed manufacturers and for use as an organic fertilizer.

All of Omega s products contain healthy long-chain Omega-3 fatty acids. Omega-3 fatty acids are commonly referred to as essential fatty acids because the body does not produce them. Instead, essential fatty acids must be obtained from outside sources, such as food or special supplements. Long-chain Omega-3s are also commonly referred to as a good fat for their health benefits, as opposed to the bad fats that create or aggravate health conditions through long-term consumption. Scientific research suggests that long-chain Omega-3s as part of a balanced diet may provide significant benefits for health issues such as cardiovascular disease, inflammatory conditions and other ailments.

Under its patented production process, Omega produces OmegaPure®, a taste-free, odorless refined fish oil which is the only marine source of long-chain Omega-3 s directly affirmed by the U.S. Food and Drug Administration (FDA) as a food ingredient that is Generally Recognized as Safe (GRAS). See Company Overview Products in Part I Item 1 and 2 of Omega s Form 10-K Annual Report for the year ended December 31, 2005.

Omega operates through two material subsidiaries: Omega Protein, Inc. and Omega Shipyard, Inc. Omega Protein, Inc. is Omega s principal operating subsidiary for its menhaden processing business and is the successor to a business conducted since 1913. Omega Shipyard, Inc. owns a drydock facility in Moss Point, Mississippi, which is used to provide shoreside maintenance for Omega s fishing fleet and, subject to outside demand and excess capacity, occasionally for third-party vessels. Revenues from shipyard work for third-party vessels for the three and six-month periods ended June 30, 2006 and 2005 were not material. Omega also has a number of other immaterial direct and indirect subsidiaries.

Prior to 2005, Omega had operated a Mexican subsidiary which had coordinated Omega s fish meal and oil sales and purchases through a local Mexican sales office. In 2005, Omega discontinued its use of this Mexican office and consolidated these functions in its Houston, Texas headquarters.

Fishing. 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 or in some cases, by re-selling meal purchased from other suppliers.

During the second quarter of 2006, Omega owned a fleet of 61 fishing vessels and 32 spotter aircraft for use in its fishing operations and also leased additional aircraft where necessary to facilitate operations. During the 2006 fishing season in the Gulf of Mexico, which runs from mid-April through October, Omega is operating 30 fishing and carry vessels and 28 spotter aircraft. The fishing area in the Gulf is generally located along the Gulf Coast, with a concentration off the Louisiana and Mississippi coasts. The fishing season along the Atlantic coast begins in early May and usually extends into December. During the 2006 season, Omega is operating 11 fishing vessels and 7 spotter aircraft along the Mid-Atlantic coast, concentrated primarily in and around Virginia and North Carolina. The remaining fleet of fishing vessels and spotter aircraft are not routinely operated during the fishing season and are back-up to the active fleet, used for other transportation purposes, inactive or in the process of refurbishment in Omega s shipyard.

Menhaden usually school in large, tight clusters and are commonly found in warm, shallow waters. Spotter aircraft locate the schools and direct the fishing vessels to them. The principal fishing vessels transport two 40-foot purse boats, each carrying several fishermen and one end of a 1,500-foot net. The purse boats encircle the school and capture the fish in the net. The fish are then pumped from the net into refrigerated holds of the fishing vessel or onto a carry vessel, and then are unloaded at Omega s processing plants. Carry vessels do not engage in active fishing but instead carry fish from Omega s offshore fishing vessels to its plants. Utilization of carry vessels increases the amount of time that certain of Omega s fishing vessels remain offshore fishing productive waters and therefore increases Omega s fish catch per vessel employed. The carry vessels have reduced crews and crew expenses and incur less maintenance cost than the actual fishing vessels.

Omega s 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, as well as interstate compacts, impose resource depletion restrictions on menhaden pursuant to fisheries management legislation or regulations and may impose additional legislation or regulations in the future. For example, in August 2005, the Management Board of the Atlantic States Marine Fisheries Commission, or ASMFC, approved an addendum to an existing Fishery Management Plan. The addendum would have established an annual cap for a five year period beginning in 2006 on Omega s menhaden landings from the Chesapeake Bay in an amount equal to Omega s average annual landings over a five year period from 2000 to 2004 (approximately 106,000 metric tons). The Commonwealth of Virginia has declined to adopt the ASMFC s recommended addendum but has instead put forth its own proposal whereby Omega s Chesapeake Bay menhaden harvest would be capped for a five year period at its most recent five-year average (2001 to 2005) of 109,020 metric tons per year. The Virginia proposal would also allow Omega a credit whereby any under-harvest in a particular year below the 109,020 metric ton cap would be added to increase the cap for the following year, up to a maximum of 122,740 metric tons per year. Omega has agreed to support the Commonwealth of Virginia s proposal in an effort to move forward constructively and avoid further contention on this issue. See Omega s 2005 10-K Item 1 and 2. Business and Properties Company Overview Regulation and Omega s Form 10-Q for the quarter ended June 30, 2006 Item 5. Other Information. To date, Omega has not experienced any material adverse impact on its fish catch or results of operations as a result of these recommended restrictions.

Harvesting and Production. The following table summarizes Omega s harvesting and production for the indicated periods:

	Years Ended December 31,		
	2005	2004	2003
Fish catch (tons)(1)	522,399	534,761	543,404
Production (tons):			
Fish meal			
Regular grade	30,944	29,016	40,795
Special Select	82,452	84,060	73,098
Sea-Lac	22,751	25,862	29,308
Oil			
Crude	53,140	51,060	53,813
Refined	6,335	6,447	5,616
Solubles	6,439	5,492	5,821
Total Production	202,061	201,937	208,451

(1) Fish catch has been converted to tons using the NMFS fish catch conversion ratio of 670 pounds per 1,000 fish.

In 2002, Omega s total production was 241,972 tons of meal, oil and solubles. During 2005, 2004 and 2003, Omega experienced a poor fish catch (approximately 11%, 18% and 11%, respectively, below expectations and a similar reduction from 2002 actual results), combined with poor oil yields. In 2005, the reduced fish catch was primarily attributable to Hurricanes Katrina and Rita and the subsequent loss of substantially all Gulf operating capacity resulting from those hurricanes. In 2004 and 2003, the reduced fish catch was primarily attributable to adverse weather conditions and the poor oil yields were 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 2004 compared to 2003. The impact of higher cost inventories and fewer volumes available for sale was carried forward and has adversely affected Omega s earnings through the first and second quarters of 2005. During the third quarter of 2005, Omega suffered plant closures due to Hurricanes Katrina and Rita. The direct impact of the hurricanes upon Omega was loss of physical inventories and physical damage to three plants. The interruption of processing capabilities caused Omega to address the impact of abnormal downtime of its processing facilities, which resulted in the immediate recognition of costs which would ordinarily have been captured as inventory costs. The amounts of these losses were substantial and are more fully described in Notes 4, 5, 6 and 11 in Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and for the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement.

Meal and Oil Processing Plants. Omega operates four meal and oil processing plants, two in Louisiana, one in Mississippi and one in Virginia, where the menhaden are processed into three general products types: fish meal, fish oil and fish solubles. Omega s processing plants are located in coastal areas near Omega s fishing fleet. Annual volume processed varies depending upon menhaden catch. Each plant maintains a dedicated dock to unload fish, fish processing equipment and storage facility. The fish are unloaded from the fishing vessels into storage boxes and then conveyed into steam cookers. The fish are then passed through presses to remove most of the oil and water. The solid portions of the fish are dried and ground into fish meal. The liquid that is produced in the cooking and pressing operations contains oil, water, dissolved protein and some fish solids. This liquid is decanted to remove the water and solids and is put through a centrifugal oil and water separation process. The separated fish oil is a finished product called crude oil. The separated water and protein mixture is further processed through evaporators to recover the soluble protein, which can be sold as a finished product or added to the solid portions of the fish for processing into fish meal.

Shipyard. Omega owns a 49.4 acre shipyard facility in Moss Point, Mississippi which includes two dry docks, each with a capacity of 1,300 tons. The shipyard is used for routine maintenance and vessel refurbishment on Omega s fishing vessels and occasionally for shoreside maintenance services to third-party vessels if excess capacity exists.

Health and Science Center. In October 2004, Omega completed construction and commenced operation of a new Health and Science Center that provides 100-metric tons per day fish oil processing capacity. The new center is located adjacent to Omega s Reedville, Virginia processing plant. The food-grade facility includes state-of-the-art processing equipment and controls that will allow Omega to refine, bleach, fractionate and deodorize its menhaden fish oil and has more than tripled Omega s previous refined fish oil production capacity for food grade oils and industrial and feed grade oils. The facility also provides Omega with automated packaging and on-site refrigerated storage capacity and has a lipids analytical laboratory to enhance the development of Omega-3 oils and food products.

New Technical Center. Omega is in the process of building a new technical center to be located in Houston, Texas to further develop its OmegaPure® food grade Omega-3 product line. The technical center will have food science application labs, as well as analytical, sensory and pilot plant capabilities. The technical center will also have a lipids research lab where Omega plans to continue to develop new Omega-3 products that have improved functionality and technical characteristics. The new facility is expected to be completed the latter part of 2006.

Hurricane Damages. In August 2005, Omega s Moss Point, Mississippi fish processing facility and adjacent shipyard were severely damaged by Hurricane Katrina. In September 2005, Omega s Cameron, Louisiana and Abbeville, Louisiana fish processing facilities were also severely damaged by Hurricane Rita. Each of these facilities was non-operational immediately after these weather events. The Moss Point, Abbeville and Cameron facilities accounted for approximately 16%, 31% and 22%, respectively, of Omega s full year 2004 production tonnage, so as an immediate result of the two hurricanes, approximately 70% of Omega s operating capacity was impaired and Omega s business, results of operations and financial condition were materially adversely affected.

Operations at the Moss Point and Abbeville fish processing facilities and the shipyard were re-established in mid-October 2005, but at reduced processing capabilities. These two facilities were returned to full operational status prior to the beginning of the Gulf fishing season in April 2006. Operations at the Cameron fish processing facility were re-established in June 2006, but at reduced processing capabilities. The reduced capacity has not had a significant impact on the processing of the Cameron fish catch since operations were re-established. Omega plans for the Cameron facility to be at full operational status prior to the end of the 2006 fishing season.

Omega maintains insurance coverage for a variety of these damages, most notably property, inventory and vessel insurance. The nature and extent of the insurance coverage varies by line of policy and Omega has recorded insurance recoveries as an account receivable based on the preliminary discussions with insurers and adjusters. Omega anticipates that further recoveries could be available, but such additional recoveries will require further analysis and discussions with Omega s insurance carriers, and the resolution of the lawsuit filed by Omega against its property insurance carriers described below. Such recoveries, if any, would be recognized in future periods once they are deemed probable. Omega does not maintain business interruption insurance in any material amounts due to its high cost and limited availability.

The direct impact of the two hurricanes upon Omega was a loss of physical inventories and physical damage to the plants. Omega estimated its total hurricane damages at approximately $28.0 million, of which approximately $12.0 million is expected to be recovered under insurance policies ($4.0 million of which was received as of June 30, 2006). Therefore, Omega has recognized a $16.2 million loss as of June 30, 2006 due to estimated damages in excess of insurance recoveries. Of the damage estimate, approximately $2.5 million was related to damaged fish meal inventory and approximately $13.0 million was related to write-offs of inventory costs that had been allocated to future production that did not occur. Omega did not maintain business interruption insurance for these types of deferred inventory costs due to its high cost and limited availability. During the second quarter 2006, Omega salvaged additional fish meal that was previously recognized as a loss from natural disaster of approximately $610,000. This meal was sold during the second quarter 2006 which resulted in Omega recognizing revenue without cost of revenues as the related costs were recorded as a loss in the third quarter 2005. Omega did not maintain business interruption insurance for these types of deferred inventory costs due to its high cost and limited availability. See Omega s 2005 Annual Report on Form 10-K Item 8. Financial Statements and Supplementary Data Note 12 Hurricane Losses for additional information on the components of the hurricane related losses. A substantial portion of the amounts listed are based upon estimates and assumptions. Actual amounts, when available, could differ materially from those estimates and changes to those estimates could have a material effect on Omega s future financial statements.

In order to facilitate the insurance recovery process, on July 28, 2006, Omega filed a lawsuit against its property insurance carriers, Lexington Insurance Company and RSUI Indemnity Company, in U.S. District Court for the Western District of Louisiana, alleging breach of contract and bad faith based on the insurance carriers failure to pay amounts due to Omega under its property insurance policies for damages sustained from Hurricanes Katrina and Rita in the third quarter of 2005. Omega seeks recovery in a jury trial of all available damages to which it is entitled by law, legal interest on those damages, the cost of the litigation and any other damages as the court deems appropriate. The total damages sought in the lawsuit are in excess of the amount Omega has remaining as a receivable relating to its initial recorded hurricane claim from its property insurance carriers. Omega believes collection of the recorded receivable is probable; however, an unfavorable outcome of the proceeding could have a material impact on Omega s financial position and result of operations.

Not included in the amounts listed are the replacement capital costs of property and equipment, which did not have any book basis and were destroyed in the hurricanes, and the costs of clean up incurred subsequent to June 30, 2006.

As of June 30, 2006, Omega s four active processing plants, assuming that no hurricane damages had occurred, would have had an aggregate annual capacity to process approximately 950,000 tons of fish. The previously described hurricane damages reduced the annual aggregate processing capacity to approximately 850,000 tons as of June 30, 2006. Operations at the Cameron fish processing facility were re-established in June 2006, but at reduced processing capabilities. Omega plans for the Cameron facility to be at full operational status prior to the end of the 2006 fishing season.

Because of the damages to Omega s Cameron, Louisiana facility caused by Hurricane Rita, Omega began its 2006 fishing season by operating its full contingent of 30 Gulf of Mexico fishing and carry vessels out of its two operating facilities in Abbeville, Louisiana and Moss Point, Mississippi. These activities substantially increased the number of vessels at the Abbeville and Moss Point plants to a level that Omega had not operated previously. Although these two facilities had adequate processing capacity, Omega s fishing efforts were diminished because increased unloading time due to the additional vessels which reduced the number of vessels on the fishing grounds during the most optimal fishing times. During June 2006, 10 vessels were shifted to the Cameron facility when it became operational.

Markets. Pricing for Omega s products has been volatile in the past several years and is attributable mainly to the international availability, or the perceived international availability, of fish meal and fish oil inventories. In an effort to reduce price volatility and to generate higher, more consistent profit margins, in fiscal 2000 Omega embarked on a quality control program designed to increase its capability of producing higher quality fish meal products and, in conjunction therewith, enhanced it sales efforts to penetrate premium product markets. Since 2000, Omega s sales volumes of specialty meal products have increased approximately 41%. 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®, 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 or how long it may take to develop these markets.

During 2002, Omega developed a business plan to expand its purchase and resale of other manufacturers fish meal and fish oil products and engaged a full-time consultant to implement Omega s business plan which focused initially on the purchase and resale of Mexican fish meal and fish oil. In 2002, revenues generated from these types of transactions represented less than 2% of Omega s total revenues. During 2003 and again in 2004, Omega s fish catch and resultant product inventories were reduced, primarily due to adverse weather conditions. Omega supplemented its inventories and subsequent sales by purchasing other fish meal and oil products. Although operating margins from these activities are less than the margins typically generated from Omega s base domestic production, these operations provide Omega with a source of fish meal and oil to sell into other markets where Omega has not historically had a presence. Omega purchased products totaling approximately 16,555 and 17,800 tons, or approximately 8% and 8% of total volume sales for the fiscal year ended December 31, 2005 and 2004, respectively.

Distribution System. Omega s distribution system of warehouses, tank storage facilities, vessel loading facilities, trucks, barges and railcars allows Omega to service customers throughout the United States and also foreign locations. Omega owns and leases warehouses and tank storage space for storage of its products, generally at terminals along the Mississippi River and Tennessee River. Omega generally contracts with third-party trucking, vessel, barge and railcar companies to transport its products to and from warehouses and tank storage facilities and directly to its customers.

Historically, approximately 35% to 40% of Omega s FAQ grade fish meal was sold on a two-to-twelve-month forward contract basis. The balance of FAQ grade fish meal and other products was substantially sold on a spot basis through purchase orders. In 2002, Omega began a similar forward sales program for its specialty grade meals and crude fish oil due to increasing demand for these products. During 2003, 2004 and 2005, approximately 50%, 43% and 70%, respectively, of Omega s specialty meals and crude fish oil had been sold on a forward contract basis. Prior to the beginning of Omega s 2006 fishing season, approximately 64% and 86% of Omega s 2006 forecasted fish meal and crude fish oil had either been sold or sold forward on a contract basis. The percentage of fish meal and crude fish oil sold on a forward contract basis will fluctuate from year to year based upon perceived market availability.

Omega s annual revenues are highly dependent on both annual fish catch and inventories and, in addition, inventory is generally carried over from one year to the next year. Omega determines the level of inventory to be carried over based on prevailing market prices of the products and 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 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 Omega s revenues by product (in millions) and the approximate percentage of total revenues represented thereby, for the indicated periods:

	Three Months Ended June 30,				**Six Months Ended June 30,**			
	2006		**2005**		**2006**		**2005**	
	Revenues	**Percent**	**Revenues**	**Percent**	**Revenues**	**Percent**	**Revenues**	**Percent**
Regular Grade	$ 4.3	12.9%	$ 5.5	20.0%	$ 8.8	14.3%	$ 9.6	18.8%
Special Select	15.7	47.1	11.9	43.3	25.8	41.9	21.8	42.5
Sea-Lac	1.9	5.7	4.2	15.3	4.5	7.3	9.1	17.7
Crude Oil	8.1	24.3	4.0	14.5	16.4	26.6	7.3	14.2
Refined Oil	2.3	6.9	1.4	5.1	4.5	7.3	2.5	4.9
Fish Solubles	0.8	2.4	0.5	1.8	1.3	2.1	1.0	1.9
Other	0.2	0.7	0.0	0.0	0.3	0.5	0.0	0.0
Total	$ 33.3	100.0%	$ 27.5	100.0%	$ 61.6	100.0%	$ 51.3	100.0%

	Years Ended December 31,					
	2005		2004		2003	
	Revenues	Percent	Revenues	Percent	Revenues	Percent
Regular Grade	$ 19.4	17.7%	$ 20.7	17.3%	$ 26.5	22.5%
Special Select	48.5	44.1	49.5	41.4	39.5	33.5
SeaLac	17.7	16.1	18.6	15.6	14.5	12.3
Crude Oil	17.3	15.7	24.3	20.3	31.5	26.7
Refined Oil	5.3	4.8	4.7	3.9	3.8	3.2
Fish Solubles	1.7	1.6	1.8	1.5	2.1	1.8
Total	$ 109.9	100.0%	$ 119.6	100.0%	$ 117.9	100.0%

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 or which would have added new protein products to Omega s product lines. Although Omega does not, as of the date hereof, have any commitment with respect to a material acquisition, except as described in this Information Statement, it could enter into such agreement in the future.

Omega carries insurance for certain losses relating to its vessels and Jones Act liability for employees aboard its vessels, or vessel claims insurance. The typical vessel claims insurance policy contains an annual aggregate deductible, or AAD, for which Omega remains responsible, while the insurance carrier is responsible for all applicable amounts which exceed the AAD. It is Omega s policy to accrue current amounts due and record amounts paid out on each claim. Once payments exceed the AAD, Omega records an insurance receivable for a given policy year.

Customers and Marketing. Most of Omega s marine protein products are sold directly to about 600 customers by Omega s agriproducts sales department, while a smaller amount is sold through independent sales agents. Product inventory was $30.7 million on June 30, 2006 versus $33.4 million as of June 30, 2005.

Omega s fish meal is sold primarily to domestic feed producers for utilization as a high-protein ingredient for the swine, aquaculture, dairy and pet food industries. Fish oil sales primarily involve export markets where the fish oil is used for aquaculture feeds and is refined for use as a hydrogenated edible oil.

Omega s products are sold both in the U.S. and internationally. International sales consist mainly of fish oil sales to Norway, Canada, Chile, China, Japan and Mexico. Omega s sales in these foreign markets are denominated in U.S. dollars and not directly affected by currency fluctuations. Such sales could be adversely affected by changes in demand resulting from fluctuations in currency exchange rates.

A number of countries in which Omega currently sells products impose various tariffs and duties, none of which have a significant impact on Omega s foreign sales. Certain of these duties are being reduced annually for certain countries under the North American Free Trade Agreement and the Uruguay Round Agreement of the General Agreement on Tariffs and Trade. In all cases, Omega s products are shipped to its customers either by FOB shipping point or CIF terms, and therefore, the customer is responsible for any tariffs, duties or other levies imposed on Omega s products sold into these markets.

During the off season, Omega fills purchase orders from the inventory it has accumulated during the fishing season or in some cases, by re-selling meal purchased from other suppliers. 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 often significantly influenced by supply and demand in world markets for competing products, primarily other global sources of fish meal and oil, and also soybean meal for its fish meal products, and vegetable oils for its fish oil products when used as an alternative.

Quality Control. Omega believes that maintaining high standards of quality in all aspects of its manufacturing operations play an important part in its ability to attract and retain customers and maintain its competitive position. To that end, Omega has adopted strict quality control systems and procedures designed to test the quality aspects of its products, such as protein content and digestibility. Omega regularly reviews, updates and modifies these systems and procedures as appropriate.

Purchases and Sales of Third-Party Meal and Oils. Omega has from time to time purchased fish meal and fish oil from other domestic and international manufacturers. These purchase and resale transactions have been ancillary to Omega s base manufacturing and sales business.

Part of Omega s business plan involves expanding its purchase and resale of other manufacturers fish meal and fish oil products. During 2003, 2004 and 2005, Omega s fish catch and resultant product inventories were reduced, primarily due to adverse weather conditions, and Omega further expanded its purchase and resales of other fish meals and oils (primarily Panamanian, Peruvian 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, some of which, Omega has not historically had a presence. During 2003, Omega purchased products totaling approximately 12,500 tons, or approximately 5% of total volume 2003 sales. During 2004, Omega purchased products totaling approximately 17,800 tons, or approximately 8% of total volume 2004 sales. During 2003, Omega purchased products totaling approximately 12,500 tons, or approximately 5% of total volume 2003 sales. During 2004, Omega purchased products totaling approximately 17,800 tons, or approximately 8% of total volume 2004 sales. During 2005, Omega purchased products totaling approximately 16,600 tons, or approximately 8% of total volume 2005 sales. During the quarter ended March 31, 2006, Omega purchased products totaling approximately 12,000 tons, the majority of which were sold during the quarter ended June 30, 2006.

Insurance. Omega maintains insurance against physical loss and damage to its assets, coverage against liabilities to third parties it may incur in the course of its operations, as well as workers compensation, United States Longshoremen s and Harbor Workers Compensation Act and Jones Act coverage. Assets are insured at replacement cost, market value or assessed earning power. Omega s limits for liability coverage are statutory or $50 million. The $50 million limit is comprised of several excess liability policies, which are subject to deductibles, underlying limits, annual aggregates and exclusions. Omega believes its insurance coverage to be in such form, against such risks, for such amounts and subject to such deductibles and self-retentions as are prudent and normal for its operations. Over the last four years, Omega has elected to increase its deductibles and self-retentions in order to achieve lower insurance premium costs. These higher deductibles and self-retentions have resulted in greater costs to Omega in the case of Hurricanes Katrina and Rita and will expose Omega to greater risk of loss if additional future claims occur. In addition, Omega s cost of insurance for property damage has increased materially and will likely further increase materially in future years as insurers recoup losses paid and to be paid out in connection with the Katrina and Rita hurricanes by charging higher premiums. Omega does not maintain business interruption insurance in any material amount due to its high cost and limited availability.

Competition. Omega competes with a smaller domestic privately-owned menhaden fishing company and with international marine protein and oil producers, including Mexican sardine processors and South American anchovy processors. In addition, but to a lesser extent, Omega s marine protein and oil business is also subject to significant competition from producers of vegetable and other animal protein products and oil products such as Archer Daniels Midland and Cargill. Many of these competitors have significantly greater financial resources and more extensive and diversified operations than those of Omega.

Omega competes on price, quality and performance characteristics of its products, such as protein level and amino acid profile in the case of fish meal. The principal competition for Omega s fish meal and fish solubles is from other global production of marine proteins as well as other protein sources such as soybean meal and other vegetable or animal protein products. Omega believes, however, that these other non-marine sources are not complete substitutes because fish meal offers nutritional values not contained in such other sources. Other globally produced fish oils provide the primary market competition for Omega s fish oil, as well as soybean and rapeseed oil, from time to time.

Fish meal prices have historically borne a relationship to prevailing soybean meal prices (more weakly correlated in recent years), while prices for fish oil are generally influenced by prices for vegetable fats and oils, such as rape 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.

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 fiscal 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.

Safety Components

Safety is an independent supplier of automotive airbag fabric and cushions and technical fabrics with operations in North America and Europe. We originally purchased 2,663,905 shares of Safety common stock for $30.9 million on September 23, 2003, and purchased an additional 1,498,489 shares on October 7, 2003 for $16.9 million, bringing our ownership percentage to approximately 84% at that time. We 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 amounts related to Safety s results of operations in the fourth quarter of 2003.

On September 21, 2005, our Board of Directors approved a plan to pursue a sale of all of our 4,162,394 shares of Safety common stock. Based on this approval, we determined that this subsidiary substantially met the criteria to report the pending sale as Assets Held for Sale and the subsidiary as Discontinued Operations in accordance with accounting rules. As used throughout this document, all amounts and disclosures related to Safety pertain to Discontinued Operations.

On December 2, 2005, we closed on the sale of all of its 4,162,394 shares of common stock in Safety to WLR Recovery Fund II, L.P. and WLR Recovery Fund III, L.P., Delaware limited partnerships, or the WLR Recovery Funds, for $12.30 per share or $51,197,446 in the aggregate. Prior to the close of the sale, we paid an aggregate of $1,000,000 in the form of a capital contribution to Safety for the Safety compensation committee to pay bonuses to its executive officers and key employees. This payment was made under a plan approved by us during the third quarter of 2005 to provide Safety management with an incentive to continue with Safety until the completion of the sale to the WLR Recovery Funds.

For the year ended December 31, 2005, we recorded a transaction related loss of $9.9 million related to the sale of Safety. This amount primarily reflects the reduction of the carrying value of Safety to the net selling price, partially offset by the reversal of certain deferred tax liabilities. Though we sold our shares in Safety for a cash gain compared to the original investment, this transaction related loss resulted from the sales proceeds being less than our carrying value of our investment in Safety. Safety s generation of net income subsequent to our original purchase of the stock increased our carrying value which consisted of our original investment in common stock of Safety and the aforementioned subsequent capital contribution.

Consolidated Results of Operations

The following tables summarize our consolidating results of operations (in thousands). Certain reclassifications of prior information have been made to conform to the current presentation.

	Zapata Corporate	Omega Protein	Zap.com	Consolidated
Three Months Ended June 30, 2006				
Revenues	$	$ 33,338	$	$ 33,338
Cost of revenues		28,002		28,002
Gross profit		5,336		5,336
Operating expense:				
Selling, general and administrative	1,964	3,670	44	5,678
Loss resulting from natural disaster, net		193		193
Operating (loss) income	(1,964)	1,473	(44)	(535)
Other income (expense)				
Interest income	896	175	21	1,092
Interest expense		(528)		(528)
Other, net	190	(104)		86
	1,086	(457)	21	650
(Loss) income before income taxes and minority interest	(878)	1,016	(23)	115
Benefit (provision) for income taxes	177	(386)		(209)
Minority interest in net loss (income) of consolidated subsidiaries(2)		(266)	1	(265)
Net (loss) income to common stockholders	$ (701)	$ 364	$ (22)	$ (359)
Diluted loss per share				$ (0.02)

	Zapata Corporate	Omega Protein	Zap.com	Discontinued Operations(1)	Consolidated
Three Months Ended June 30, 2005					
Revenues	$	$ 27,510	$	$	$ 27,510
Cost of revenues		23,693			23,693
Gross profit		3,817			3,817
Operating expense:					
Selling, general and administrative	1,299	3,053	35		4,387
Operating (loss) income	(1,299)	764	(35)		(570)
Other income (expense)					
Interest income	186	190	12		388
Interest expense		(242)			(242)
Other, net	17	230			247
	203	178	12		393
(Loss) income before income taxes and minority interest	(1,096)	942	(23)		(177)
Benefit (provision) for income taxes	255	(283)			(28)
Minority interest in net income of consolidated subsidiaries(2)		(276)			(276)
(Loss) income from continuing operations	(841)	383	(23)		(481)
Discontinued operations:					
Income before taxes and minority interest (including loss on disposal)				2,639	2,639
Provision for income taxes	(401)			(868)	(1,269)
Minority interest(2)				(425)	(425)
Net (loss) income from discontinued operations	(401)			1,346	945
Net (loss) income to common stockholders	$ (1,242)	$ 383	$ (23)	$ 1,346	$ 464
Diluted income per share					$ 0.02

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	Zapata Corporate	Omega Protein	Zap.Com	Consolidated
Six Months Ended June 30, 2006				
Revenues	$	$ 61,641	$	$ 61,641
Cost of revenues		49,313		49,313
Gross profit		12,328		12,328
Operating expense:				
Selling, general and administrative	3,453	7,006	74	10,533
Loss resulting from natural disaster, net		433		433
Operating (loss) income	(3,453)	4,889	(74)	1,362
Other income (expense)				
Interest income	1,712	407	40	2,159
Interest expense		(1,052)		(1,052)
Other, net	194	(126)		68
	1,906	(771)	40	1,175
(Loss) income before income taxes and minority interest	(1,547)	4,118	(34)	2,537
Provision for income taxes	(120)	(962)		(1,082)
Minority interest in net (income) loss of consolidated subsidiaries(2)		(1,329)	1	(1,328)
Net (loss) income to common stockholders	$ (1,667)	$ 1,827	$ (33)	$ 127
Diluted income per share				$ 0.01

	Zapata Corporate	Omega Protein	Zap.com	Discontinued Operations(1)	Consolidated
Six Months Ended June 30, 2005					
Revenues	$	$ 51,341	$	$	$ 51,341
Cost of revenues		44,468			44,468
Gross profit		6,873			6,873
Operating expense:					
Selling, general and administrative	2,933	5,831	65		8,829
Operating (loss) income	(2,933)	1,042	(65)		(1,956)
Other income (expense)					
Interest income	346	333	22		701
Interest expense		(508)			(508)
Other, net	17	191			208
	363	16	22		401
(Loss) income before income taxes and minority interest	(2,570)	1,058	(43)		(1,555)
Benefit (provision) for income taxes	695	(292)			403
Minority interest in net income of consolidated subsidiaries(2)		(319)			(319)
(Loss) income from continuing operations	(1,875)	447	(43)		(1,471)
Discontinued operations:					
Income before taxes and minority interest (including loss on disposal)				5,716	5,716
Provision for income taxes	(978)			(1,879)	(2,857)
Minority interest(2)				(846)	(846)
Net (loss) income from discontinued operations	(978)			2,991	2,013
Net (loss) income to common stockholders	$ (2,853)	$ 447	$ (43)	$ 2,991	$ 542
Diluted income per share					$ 0.03

(1) Results of operations related to Safety have been disclosed within discontinued operations in accordance with SFAS No. 144. Due to the sale of Safety in December 2005, Safety s results of operations are excluded from our consolidated results for periods subsequent to the date of sale.

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

For more information concerning segments, see Note 14 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and for the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement.

Three Months Ended June 30, 2006 and 2005

We reported a consolidated net loss of $359,000 or $.02 per diluted share on consolidated revenues of $33.3 million for the three months ended June 30, 2006 as compared to consolidated net income of $464,000 or $0.02 per diluted share on consolidated revenues of $27.5 million for the three months ended June 30, 2005. On a consolidated basis, the change from the recognition of net income to net loss resulted primarily from the lack of consolidation of Safety during the three months ended June 30, 2006 as compared to the same period of the prior year. Safety s operating results have not been consolidated since the completion of the sale.

The following is a more detailed discussion of our consolidated operating results:

Revenues from continuing operations. Consolidated revenues increased $5.8 million from $27.5 million for the three months ended June 30, 2005 to $33.3 million for the three months ended June 30, 2006. This increase was attributable to increased revenues at Omega primarily resulting from an 85% increase in sales volumes of fish oil, partially offset by a 7% decline in fish meal sales volumes. Additionally, Omega experienced a 11% and 4% increase in sales prices of fish meal and fish oil, respectively. Omega experienced a $2.7 million increase in revenues due to increased sales prices and a $3.2 million increase in revenues due to sales volumes of fish meal and fish oil.

Cost of revenues from continuing operations. Our consolidated cost of revenues, including depreciation and amortization, for the three months ended June 30, 2006 was $28.0 million, a $4.3 million increase from $23.7 million for the comparable quarter of the prior year. This increase resulted from an increase at Omega Protein. Omega s cost of revenues as a percentage of revenues decreased 2% for the quarter ended June 30, 2006. The decrease in cost of revenues as a percentage of revenues was due to higher sales prices for the current quarter, partially offset by increased costs and the sale of salvaged fish meal that resulted in Omega recognizing revenue without cost of revenues as the related costs were recorded as a loss in the third quarter of 2005.

Selling, general and administrative from continuing operations. Consolidated selling, general, and administrative expenses increased $1.3 million from $4.4 million for the three months ended June 30, 2005 to $5.7 million for the three months ended June 30, 2006. This increase was attributable to increased selling, general and administrative expenses at Omega of $617,000 and at Zapata Corporate of $665,000. Omega s increase was attributable primarily to increased consulting expenditures relating to its governmental relations program and costs incurred relocating the administrative offices from Hammond, Louisiana to Houston, Texas. Zapata Corporate s increase was primarily attributable to the recognition of $831,000 in expenses to record liabilities related to health and medical benefits for Malcolm Glazer and his wife under the our Senior Executive Retiree Health Care Benefit Plan, partially offset by decreased consulting expenses after the scheduled termination of the consulting agreement with Mr. Glazer on April 30, 2006.

Loss resulting from natural disaster. For the quarter ended June 30, 2006, Omega incurred a loss of $193,000 relating to damages incurred at its Moss Point, Mississippi fish processing facility and adjacent shipyard from Hurricane Katrina, and damages incurred at its Cameron and Abbeville, Louisiana fish processing facilities from Hurricane Rita. These costs primarily relate to clean up costs incurred during the three month period.

Interest income from continuing operations. Consolidated interest income increased $704,000 from $388,000 for the three months ended June 30, 2005 to $1.1 million for the current quarter. This increase was primarily related to an increase of $710,000 at Zapata Corporate resulting from higher interest rates on investment and an increase in cash balance available for investment after selling its common stock holdings in Safety. This increase was partially offset by a decrease in interest income of $15,000 at Omega primarily due to diminished balances of Omega s cash and cash equivalents on which interest is earned.

Interest expense from continuing operations. Interest expense increased $286,000 for the quarter ended June 30, 2006 as compared to the quarter ended June 30, 2005, primarily due to interest associated with the additional $14.0 million in debt that Omega obtained in October 2005.

Other income, net. Other income decreased $161,000 from $247,000 for the three months ended June 30, 2005 to $86,000 for the current quarter. This decrease was primarily due to an insurance gain Omega recognized during the quarter ended June 30, 2005.

Minority interest from continuing operations. Minority interest from the consolidated statements of operations represents the minority stockholders interest in the net income of our subsidiaries (approximately 42% of Omega and approximately 2% of Zap.Com). For the three months ended June 30, 2006, minority interest was a $265,000 reduction to net income for the minority interest s share of Omega and Zap.Com as compared to $276,000 for the three months ended June 30, 2005.

Income taxes from continuing operations. We recorded a consolidated provision for income taxes of $209,000 for the three months ended June 30, 2006 as compared to a provision of $28,000 for the comparable period of the prior year. The increase in the consolidated provision was primarily due to an increase in Omega s effective tax rate. Due to increasing profitability projections, Omega increased its estimated annual effective tax rate from 19% in the first quarter of 2006 to 38% as of the second quarter of 2006 resulting in an increased provision for the second quarter of 2006.

For all periods in which any of our subsidiaries are consolidated for book purposes and not consolidated for tax purposes, we will recognize a provision or benefit to reflect the increase or decrease in the difference between our book and tax basis in each subsidiary. The provision or benefit will be equal to the sum of our tax effected proportionate share of each subsidiary s net income or loss. For example, during periods where a subsidiary recognizes net income, our consolidated provision for income taxes will include our subsidiary s tax provision in addition to a provision for our tax effected proportionate share of the subsidiary s net income. Accordingly, our effective tax rate for each period can vary significantly depending on the changes in the underlying difference between our book and tax basis in its subsidiaries.

Net income from discontinued operations. Pursuant to our Board of Directors approval of the plan to sell our shares of Safety and the subsequent sale of these shares to the WLR Recovery Funds, all operating results related to Safety have been reclassified and included in discontinued operations. For the three months ended June 30, 2005, net income from discontinued operations was $945,000. Because the sale closed in December of 2005, no amounts related to discontinued operations were included in the three months ended June 30, 2006.

Six Months Ended June 30, 2006 and 2005

We reported consolidated net income of $127,000 or $0.01 per diluted share on consolidated revenues of $61.6 million for the six months ended June 30, 2006 as compared to consolidated net income of $542,000 or $0.03 per diluted share on consolidated revenues of $51.3 million for the six months ended June 30, 2005. On a consolidated basis, the decrease in net income resulted primarily from the sale of Safety. Safety s operating results have not been consolidated since the completion of the sale.

The following is a more detailed discussion of our consolidated operating results:

Revenues from continuing operations. Consolidated revenues increased $10.3 million from $51.3 million for the six months ended June 30, 2005 to $61.6 million for the six months ended June 30, 2006. This increase was attributable to increased revenues at Omega, primarily resulting from a 103% increase in sales volumes of fish oil, partially offset by a 12% decline in fish meal sales volumes. Additionally, Omega experienced a 11% and 6% increase in sales prices of fish meal and fish oil, respectively. Omega experienced a $5.0 million increase in revenues due to increased sales prices and a $5.5 million increase in revenues due to sales volumes of fish meal and fish oil.

Cost of revenues from continuing operations. Our consolidated cost of revenues, including depreciation and amortization, for the six months ended June 30, 2006 was $49.3 million, a $4.8 million increase from $44.5 million for the comparable period of the prior year. This increase resulted from an increase at Omega. Omega s cost of revenues as a percentage of revenues decreased 7% for the six months ended June 30, 2006. The decrease in cost of revenues as a percentage of revenues was due to higher sales prices for the current six month period, partially offset by increased costs.

Selling, general and administrative from continuing operations. Consolidated selling, general, and administrative expenses increased $1.7 million from $8.8 million for the six months ended June 30, 2005 to $10.5 million for the six months ended June 30, 2006. This increase was attributable to increased selling, general and administrative expenses at Omega of $1.2 million and at Zapata Corporate of $520,000. Omega s increase was attributable primarily to increased consulting expenditures relating to its governmental relations program and costs incurred relocating the administrative offices from Hammond, Louisiana to Houston, Texas. Zapata Corporate s increase was primarily attributable to the recognition of $831,000 in expenses to record liabilities related to health and medical benefits for Malcolm Glazer and his wife under the our Senior Executive Retiree Health Care Benefit Plan, combined with the recognition of a curtailment loss of $147,000 in the first quarter of 2006 related to the freezing of our qualified defined benefit pension plan, partially offset by decreased consulting expenses after the scheduled termination of the consulting agreement with Mr. Glazer on April 30, 2006, and a compensation charge of $353,000 related to a stock option modification which occurred in the prior period.

Loss resulting from natural disaster. For the six month period ended June 30, 2006, Omega incurred a loss of $433,000 relating to damages incurred at its Moss Point, Mississippi fish processing facility and adjacent shipyard from Hurricane Katrina, and damages incurred at its Cameron and Abbeville, Louisiana fish processing facilities from Hurricane Rita. These costs primarily relate to clean up costs incurred during the six month period.

Interest income from continuing operations. Consolidated interest income increased $1.5 million from $701,000 for the six months ended June 30, 2005 to $2.2 million for the current period. This increase was primarily related to an increase of $1.4 million at Zapata Corporate resulting from higher interest rates on investment and an increase in cash balance available for investment after selling our common stock holdings in Safety. This increase combined with an increase of $74,000 at Omega primarily due to improved rates of return on Omega s investments.

Interest expense from continuing operations. Interest expense increased $544,000 for the period ended June 30, 2006 as compared to the period ended June 30, 2005, primarily due to interest associated with the additional $14.0 million in debt that Omega obtained in October 2005.

Other income, net. Other income decreased $140,000 in the six months ended June 30, 2006 as compared to the six months ended June 30, 2005. The decrease was primarily due to an insurance gain Omega recognized during the six months ended June 30, 2005.

Minority interest from continuing operations. Minority interest from the consolidated statements of operations represents the minority stockholders interest in the net income of our subsidiaries (approximately 42% of Omega and approximately 2% of Zap.Com). For the six months ended June 30, 2006, minority interest was a $1.3 million reduction to net income for the minority interest s share of Omega and Zap.Com as compared to $319,000 for the period ended June 30, 2005.

Income taxes from continuing operations. We recorded a consolidated provision for income taxes of $1.1 million for the six months ended June 30, 2006 as compared to a benefit of $403,000 for the comparable period of the prior year. On a consolidated basis, the change from a benefit to a provision for income taxes was primarily attributable to an increase in net income recognized at Omega combined with Omega s increased provision for the second quarter of 2006 and a decrease in losses recognized by Zapata Corporate.

For all periods in which any of our subsidiaries are consolidated for book purposes and not consolidated for tax purposes, we will recognize a provision or benefit to reflect the increase or decrease in the difference between our book and tax basis in each subsidiary. The provision or benefit will be equal to the sum of our tax effected proportionate share of each subsidiary s net income or loss. For example, during periods where a subsidiary recognizes net income, our consolidated provision for income taxes will include our subsidiary s tax provision in addition to a provision for our tax effected proportionate share of the subsidiary s net income. Accordingly, our effective tax rate for each period can vary significantly depending on the changes in the underlying difference between our book and tax basis in its subsidiaries.

Net income from discontinued operations. Pursuant to our Board of Directors approval of the plan to sell our shares of Safety and the subsequent sale of these shares to the WLR Recovery Funds, all operating results related to Safety have been reclassified and included in discontinued operations. For the six months ended June 30, 2005, net income from discontinued operations was $2.0 million. Because the sale closed in December of 2005, no amounts related to discontinued operations were included in the six months ended June 30, 2006.

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	Zapata Corporate	Omega Protein	Zap.Com	Discontinued Operations(1)	Consolidated
Year Ended December 31, 2005					
Revenues	$	$ 109,896	$	$	$ 109,896
Cost of revenues		91,985			91,985
Gross profit		17,911			17,911
Operating expense:					
Selling, general and administrative	5,385	13,055	132		18,572
Loss resulting from natural disaster, net		15,743			15,743
Operating loss	(5,385)	(10,887)	(132)		(16,404)
Other income (expense)					
Interest income	1,242	615	54		1,911
Interest expense		(1,255)			(1,255)
Other, net	126	73			199
	1,368	(567)	54		855
Loss before income taxes and minority interest	(4,017)	(11,454)	(78)		(15,549)
Benefit for income taxes	2,247	4,268			6,515
Minority interest in net loss of consolidated subsidiaries(2)		3,026	1		3,027
Loss from continuing operations	(1,770)	(4,160)	(77)		(6,007)
Discontinued operations:					
(Loss) income before taxes and minority interest (including loss on disposal)	(12,245)			10,364	(1,881)
Benefit (provision) for income taxes	2,388			(2,511)	(123)
Minority interest(2)				(1,398)	(1,398)
Net (loss) income from discontinued operations	(9,857)			6,455	(3,402)
Net (loss) income to common stockholders	$ (11,627)	$ (4,160)	$ (77)	$ 6,455	$ (9,409)
Diluted loss per share					$ (0.49)

	Zapata Corporate	Omega Protein	Zap.Com	Discontinued Operations(1)	Consolidated
Year Ended December 31, 2004					
Revenues	$	$ 119,645	$	$	$ 119,645
Cost of revenues		104,237			104,237
Gross profit		15,408			15,408
Operating expense:					
Selling, general and administrative	4,210	10,120	166		14,496
Operating (loss) income	(4,210)	5,288	(166)		912
Other income (expense)					
Interest income	374	594	24		992
Interest expense		(965)			(965)
Other, net		(221)			(221)
	374	(592)	24		(194)
(Loss) income before income taxes and minority interest	(3,836)	4,696	(142)		718
Provision for income taxes	539	(1,494)			(955)
Minority interest in net (income) loss of consolidated subsidiaries(2)		(1,287)	4		(1,283)
(Loss) Income from continuing operations	(3,297)	1,915	(138)		(1,520)
Discontinued operations:					
Income before taxes and minority interest (including loss on disposal)				15,217	15,217
Provision for income taxes	(2,613)			(5,273)	(7,886)
Minority interest(2)				(2,078)	(2,078)
Net income from discontinued operations	(2,613)			7,866	5,253
Net (loss) income to common stockholders	$ (5,910)	$ 1,915	$ (138)	$ 7,866	$ 3,733
Diluted earnings per share					$ 0.20

	Zapata Corporate	Omega Protein	Zap.Com	Discontinued Operations(1)(3)	Consolidated
Year Ended December 31, 2003					
Revenues	$	$ 117,926	$	$	$ 117,926
Cost of revenues		99,028			99,028
Gross profit		18,898			18,898
Operating expense:					
Selling, general and administrative	3,574	9,369	125		13,068
Operating (loss) income	(3,574)	9,529	(125)		5,830
Other income (expense)					
Interest income	749	443	22		1,214
Interest expense		(1,134)			(1,134)
Other, net		(234)			(234)
	749	(925)	22		(154)
(Loss) income before income taxes and minority interest	(2,825)	8,604	(103)		5,676
Provision for income taxes	(211)	(2,806)			(3,017)
Minority interest in net (income) loss of consolidated subsidiaries(2)		(2,307)	2		(2,305)
(Loss) income from continuing operations	(3,036)	3,491	(101)		354
Discontinued operations:					
Income before taxes and minority interest (including loss on disposal)				1,796	1,796
Provision for income taxes				(716)	(716)
Minority interest(2)				(542)	(542)
Net income from discontinued operations				538	538
Net (loss) income to common stockholders	$ (3,036)	$ 3,491	$ (101)	$ 538	$ 892
Diluted loss per share					$ 0.05

(1) Results of operations related to Safety have been disclosed within discontinued operations in accordance with SFAS No. 144.

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

(3) For the year ended December 31, 2003, due to the timing of the acquisition, Safety s results of operations were included in our consolidated results for the fourth quarter.

For information affecting period to period comparability see the notes to the selected financial data included in Selected Financial Data. For more information concerning segments, see Note 20 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and for the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement.

Years Ended December 31, 2005 and 2004

We reported a consolidated net loss of $9.4 million or $(.49) per diluted share on revenues of $109.9 million for the year ended December 31, 2005 as compared to consolidated net income of $3.7 million or $.20 per diluted share on revenues of $119.6 million in 2004. On a consolidated basis, the decrease in net income resulted from decreased net income at Omega related to hurricane losses, combined with a loss recorded for the sale of our shares of Safety common stock

The following presents a more detailed discussion of the consolidated operating results:

Revenues from continuing operations. Consolidated revenues decreased $9.7 million from $119.6 million in 2004 to $109.9 million in 2004, related to decreased revenues at Omega. Omega s decrease was due to lower sales volumes of 7% and 27% for fish meal and fish oil, respectively. The decrease in revenue was partially offset by 2005 sales prices of Omega s fish meal and fish oil which increased by 4% and 6%, respectively, as compared to the 2004 sales prices. Considering both fish meal and fish oil sales activities, Omega experienced a $14.2 million decrease in revenues due to reduced sales volumes, partially offset by an increase of $4.0 million in sales caused by increased sales prices, when comparing 2005 to 2004.

Cost of revenues from continuing operations. Consolidated cost of revenues, including depreciation an amortization, for the year ended December 31, 2005 was $92.0 million, a $12.3 million decrease from $104.2 million, related to an increase at Omega. Omega s cost of revenues, as a percentage of revenues, was 84% for 2005 as compared to 87% for 2004. The 3% decrease in cost of sales as percentage of revenue was primarily due to increased sales prices, as noted above, in 2005 as compared to 2004 and decreased per unit product costs in 2005 as compared to 2004 due to increased production during the period the Gulf of Mexico plants were operational in 2005.

Selling, general and administrative from continuing operations. Consolidated selling, general, and administrative expenses increased $4.1 million from $14.5 million in 2004 to $18.6 million in 2005. This increase was primarily due to increased expenditures at Omega of $2.9 million related to its governmental relations program, increased audit fees, increases in employee-related costs and expenses, marketing expenditures and expenses associated with abandoned acquisition activity. In addition, selling, general and administrative costs increased at Zapata Corporate by $1.2 million, primarily attributable to legal accruals which were reduced in the prior year, combined with stock option modification expenses in the current year.

Loss resulting from natural disaster. For the year ended December 31, 2005, Omega incurred losses, net of insurance receivable, of $15.7 million relating to damages incurred at its Moss Point, Mississippi fish processing facility and adjacent shipyard from Hurricane Katrina, and damages incurred at its Cameron and Abbeville, Louisiana fish processing facilities from Hurricane Rita.

Interest income from continuing operations. Consolidated interest income increased $919,000 from $992,000 for the year ended December 31, 2004 to $1.9 million in the year ended December 31, 2005. This increase was attributable to increases of $868,000 at Zapata Corporate resulting from higher interest rates on investment and an increase in cash balances available for investment after selling our common stock holdings in Safety. In addition, Omega and Zap.Com had increases in interest income of $21,000 and $30,000, respectively, resulting from higher returns on cash and cash equivalents.

Interest expense from continuing operations. Interest expense increased $290,000 for the year ended December 31, 2005 as compared to the year ended December 21, 2004 related to increases at Omega caused by the addition of $14.0 million in debt which was obtained in October 2005.

Income taxes from continuing operations. We recorded a consolidated benefit for income taxes of $6.5 million for the year ended December 31, 2005 as compared to a provision for income taxes of $955,000 for the prior year. The change from a provision to a benefit is primarily the result of Omega s recognition of a benefit for income taxes of $4.3 million in the current year as compared to a provision of $1.5 million in the prior year. This was primarily the result of the benefit recorded in conjunction with the recognition of the $15.7 million loss resulting from the hurricanes. In addition, Zapata Corporate recognized a benefit of $2.2 million in 2005 as compared to a provision of $2.1 in 2004. This was primarily the result of the elimination at closing of $4.2 million of deferred tax liabilities which had been established during periods in which Safety was consolidated for book purposes and not consolidated for tax purposes.

For all periods in which any of our subsidiaries are consolidated for book purposes and not consolidated for tax purposes, we will recognize a provision or benefit to reflect the increase or decrease in the difference between our book and tax basis in each subsidiary. The provision or benefit will be equal to the sum of our tax effected proportionate share of each subsidiary s net income or loss. Accordingly, our effective tax rate for each period can vary significantly depending on the changes in the underlying difference between our book and tax basis in its subsidiaries.

Minority interest from continuing operations. Minority interest from the consolidated statements of operations represents the minority stockholders interest in the net income of our subsidiaries (approximately 42% of Omega and approximately 2% of Zap.Com). In 2005, minority interest was a $3.1 million and $1,000 reduction of the net loss for Zapata s share in Omega and Zap.Com, respectively.

Net income from discontinued operations. Pursuant to our Board of Directors approval of the plan to sell our shares of Safety and the subsequent sale of these shares to the WLR Recovery Funds, all operating results related to Safety have been reclassified and included in discontinued operations. For the year ended December 31, 2005, net income from discontinued operations decreased $1.4 million from $7.9 million for the year ended December 31, 2004 to $6.5 million for the year ended December 31, 2005. This decrease resulted primarily from our consolidation of eleven months of Safety s results in 2005, as compared to a full year in 2005, due to the timing of the close of the sale on December 2, 2005.

Years Ended December 31, 2004 and 2003

We reported consolidated net income of $3.7 million or $.19 per diluted share on revenues of $119.6 million for the year ended December 31, 2004 as compared to consolidated net income of $892,000 or $.05 per diluted share on revenues of $117.9 million in 2003. On a consolidated basis, net income increased as a result of increased net income from discontinued operations, partially offset by a decrease in net income at Omega. In addition, Zapata Corporate s net loss increased due to an increase in the provision for income taxes recognized to reflect changes in our book and tax basis in its subsidiaries.

The following presents a more detailed discussion of the consolidated operating results:

Revenues from continuing operations. Consolidated revenues increased $1.7 million from $117.9 million in 2003 to $119.6 million in 2004, relating to increased revenues at Omega. Omega s increase in revenues was due to higher selling prices of 7% and 16% for fish meal and fish oil, respectively. Sales volumes of Omega s fish meal in 2004 increased by 3% while 2004 sales volumes of the fish oil decreased by 29%. Considering both fish meal and fish oil sales activities, Omega experienced an $8.4 million increase in revenues due to higher prices, offset by a reduction of $6.6 million in revenues caused by reduced sales volumes, when comparing 2004 to 2003. Omega attributes the lower fiscal 2004 oil sales volumes to a reduction in fish oil inventories carried over the previous year and reduced fish catch during 2004 attributable to adverse weather conditions resulting in fewer volumes available for sale; fish meal volume sales were supplemented by purchased products. Omega attributes the higher fish meal and fish oil prices to lower available world supplies of fish meal and fish oil and higher prices for other competing proteins and fats.

Cost of revenues from continuing operations. Consolidated cost of revenues for the year ended December 31, 2004 was $104.2 million, a $5.2 million increase from $99.0 million, related to an increase at Omega Protein. Omega s cost of revenues, including depreciation and amortization, for 2004 was $104.2 million, a $5.2 million increase or 5%. Cost of revenues as a percentage of revenues was 87% for 2004 as compared to 84% for 2003. The 3% increase in cost of revenues as percentage of revenue was primarily due to higher 2004 cost of production due to reduced fish catch brought about by adverse weather conditions along the Atlantic Coast and in the Gulf of Mexico.

Selling, general and administrative from continuing operations. Consolidated selling, general, and administrative expenses increased $1.4 million from $13.1 million in 2003 to $14.5 million in 2004.

Zapata Corporate s selling, general, and administrative increased approximately $636,000 for the year ended December 31, 2004 as compared to the same period in the prior year. This increase was primarily attributable to legal reserves which were reversed in the prior year, partially offset by a reduction in pension expense recognized during 2004. Additionally, Zapata Corporate incurred approximately $112,000 of Sarbanes-Oxley related compliance expenses during 2004.

Omega s selling, general and administrative expenses increased $751,000 or 8% from $9.4 million in 2003 to $10.1 million in 2004. The increase was primarily due to increased consulting expenditures related to its governmental relations program, Sarbanes-Oxley compliance efforts, and increases in employee-related costs and marketing expenditures.

Interest income from continuing operations. Consolidated interest income decreased $222,000 from $1.2 million for the year ended December 31, 2003 to $992,000 for the year ended December 31, 2004. This decrease is a result of a lower principal balance of cash and cash equivalents at Zapata Corporate after spending $47.8 million in 2003 to purchase a majority interest in Safety. In addition, interest income increased by $151,000 at Omega.

Interest expense from continuing operations. Interest expense decreased $169,000 for the year ended December 31, 2004 as compared to the year ended December 31, 2003 related to decreases at Omega.

Income taxes from continuing operations. We recorded a consolidated provision for income taxes of $3.6 million for the year ended December 31, 2004 as compared to $3.0 million for the prior year. The increase in provision is primarily the result of an increase in the provision at Zapata Corporate as a result of consolidating Safety for a full year in 2004 as compared to three months in 2003, partially offset by a decrease in provision at Omega resulting from a decrease in pre-tax income during the period.

For all periods in which any of our subsidiaries are consolidated for book purposes and not consolidated for tax purposes, we will recognize a provision or benefit to reflect the increase or decrease in the difference between our book and tax basis in each subsidiary. The provision or benefit will be equal to the sum of our tax effected proportionate share of each subsidiary s net income or loss. Accordingly, our effective tax rate for each period can vary significantly depending on the changes in the underlying difference between our book and tax basis in our subsidiaries.

Minority interest from continuing operations. Minority interest from the consolidated statements of operations represents the minority stockholders interest in the net income of our subsidiaries (approximately 42% of Omega and approximately 2% of Zap.Com). In 2004, minority interest was a $3.4 million reduction to net income for our share in the net incomes of Omega, partially offset by our share in the net loss of Zap.Com.

Net income from discontinued operations. Pursuant to our Board of Directors approval of the plan to sell our shares of Safety and the subsequent sale of these shares to the WLR Recovery Funds, all operating results related to Safety have been reclassified and included in discontinued operations. For the year ended December 31, 2004, net income from discontinued operations increased $7.3 million from $538,000 for the year ended December 31, 2003. This increase resulted from our consolidation of a full year of Safety s results in 2004, as compared to consolidating only the fourth quarter in 2003 due to the timing of the original acquisition. In addition, purchase accounting adjustments reduced Safety s contribution by $498,000 in 2004 as compared to $1.7 million in 2003.

Liquidity and Capital Resources

We, Omega and Zap.Com are separate public companies. Accordingly, the capital resources and liquidity of Omega and Zap.Com are legally independent of us. The working capital and other assets of Omega and Zap.Com are dedicated to their respective operations and are not expected to be readily available for the general corporate purposes of us, except for any dividends that may be declared and paid to their respective stockholders. Omega s credit facilities currently prohibit any dividends from being declared or paid with respect to its outstanding capital stock, including the shares held by us. For all periods presented in this Information Statement, we have not received any dividends from any of its consolidated subsidiaries.

The following tables summarizes information about our consolidated contractual obligations (in thousands) as of December 31, 2005 and the effect such obligations are expected to have on its consolidated liquidity and cash flow in future periods:

		Payments Due by Period			
	Total	Less than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
Zapata Consolidated Contractual Obligations					
Long-term and short-term debt obligations(1)	$ 30,101	$ 2,443	$ 5,062	$ 4,278	$ 18,318
Interest on long-term Debt(1)	13,693	1,833	3,439	2,776	5,645
Operating lease obligations(2)	6,368	800	1,432	1,304	2,832
Consulting agreements(3)	1,012	602	225	185	
Pension liabilities(4)	11,810				11,810
Standby letters of credit(5)	8,030	8,030			
Fish meal purchase(6)	2,618	2,618			
Total contractual obligations	$ 73,632	$ 16,326	$ 10,158	$ 8,543	$ 38,605

(1) As of December 31, 2005, we had $30.1 million in consolidated indebtedness, all of which relates to Omega. We have neither guaranteed nor otherwise agreed to be liable for the repayment of this debt. For more information concerning debt, see Note 9 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement.

(2) For more information concerning operating leases, see Note 14 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement.

(3) For more information concerning the consulting agreement with Malcolm Glazer, see Note 18 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement. Other amounts in this category are related to a consultancy and retirement agreement entered into in 1981 with one of our former executive officers.

(4) Omega expects to make contributions of $2.6 million to its pension plan in 2006. For more information concerning pension liabilities, see Note 15 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement.

(5) As of December 31, 2005, Omega had no outstanding borrowings under the $20 million credit facility other than $8.0 million in standby letters of credit. In September 2004 the United States Department of Commerce Fisheries Finance Program approved a $14 million financing application made by Omega. As of December 31, 2005, Omega had closed on the $14 million loan.

(6) This amount represents the fish meal purchase not related to standby letters of credit. An additional $5.1 million of fish meal purchases is contained in standby letters of credit obligation.

As of December 31, 2005, Omega was out of compliance with the Minimum Net Income covenant in its credit facility due to its reporting of net losses for two consecutive quarters (third and fourth quarters of 2005). Omega notified the lender of the covenant non-compliance and received a waiver from the lender.

As of December 31, 2005, Omega was out of compliance with the Ratio of Earnings to Fixed Charges covenant in the credit facility. Omega notified the lender of the covenant non-compliance and received a waiver from the lender.

During the quarter ended June 30, 2006, we recognized selling, general and administrative expenses of $831,000 to reflect the estimated liability under our Senior Executive Retiree Health Care Benefit Plan (see Note 7 in our Notes to Condensed Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement). Other than for the recognition of the liability under our Senior Executive Retiree Health Care Benefit Plan discussed above, as of June 30, 2006, Zapata Corporate s contractual obligations and other commercial commitments have not changed materially from those set forth above.

Zapata Corporate

Because we do not guarantee or otherwise assume the liabilities of Omega or Zap.Com or have any investment commitments to these majority and formerly-owned subsidiaries, it is useful to separately review our cash obligations exclusive of our majority-owned subsidiaries.

Zapata Corporate s liquidity needs are primarily for operating expenses, litigation and insurance costs. Zapata Corporate may also invest a significant portion of our cash and cash equivalents in the acquisition of other operating businesses, funding of start-up proposals and possible stock repurchases.

The following table summarizes information about Zapata Corporate s contractual obligations (in thousands) as of December 31, 2005, and the effects such obligations are expected to have on Zapata Corporate s liquidity and cash flow in future periods:

		Payments Due by Period			
	Total	**Less than 1 Year**	**1 to 3 Years**	**3 to 5 Years**	**More than 5 Years**
Zapata Corporate Contractual Obligations					
Operating lease obligations(1)	$ 95	$ 60	$ 35	$	$
Consulting agreements(2)	1,012	602	225	185	
Pension liability(3)	878				878
Total contractual obligations	$ 1,985	$ 662	$ 260	$ 185	$ 878

(1) For more information concerning operating leases, see Note 14 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement.

(2) For more information concerning the consulting agreement with Malcolm Glazer, see Note 18 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended December 31, 2003 appearing elsewhere in this Information Statement. Other amounts in this category are related to a consultancy and retirement agreement entered into in 1981 with one of our former executive officers.

(3) For more information concerning pension liabilities, see Note 15 in the Notes to Consolidated Financial Statements as of and for the fiscal years ended December 31, 2005 and 2004, and as of the fiscal year ended

December 31, 2003 appearing elsewhere in this Information Statement.

During the quarter ended June 30, 2006, we recognized selling, general and administrative expenses of $831,000 to reflect the estimated liability under our Senior Executive Retiree Health Care Benefit Plan. Other than for the recognition of this liability, as of June 30, 2006, our consolidated contractual obligations and other commercial commitments have not changed materially from those set forth above.

Zapata Corporate s current source of liquidity is its cash and cash equivalents and the interest income it earns on these funds. We expect these assets to continue to be a source of liquidity except to the extent that they may be used to fund any acquisitions of companies or repurchases of our stock. Zapata Corporate s investments consist of U.S. Government agency securities and cash equivalents. As of June 30, 2006, Zapata Corporate s cash and cash equivalents were $74.9 million as compared to $75.3 million as of December 31, 2005. This decline resulted primarily from cash used by Zapata Corporate s operations which exceeded interest income earned during the period. As of December 31, 2005, Zapata Corporate s cash and cash equivalents were $75.3 million as compared to

$28.7 million as of December 31, 2004. This increase resulted from the sale of Safety and the receipt of the $51.2 million purchase price. In addition, we expect to receive approximately $47.5 million for the sale of 9,268,292 Omega shares, as discussed above. Following this sale, we will hold 5,232,708 Omega shares, or approximately 33% of Omega s outstanding common stock, 98% of Zap.Com s outstanding common stock and approximately $123.0 million in cash and cash equivalents. We have no plans to dissolve or liquidate. Our Board of Directors has authorized us to seek one or more buyers for our remaining Omega shares and to pursue acquisitions or other strategic opportunities in an effort to position us to enhance stockholder value. Though we have no immediate plans for the use of the proceeds from the Omega transaction, we are likely to use some or all of our cash and cash equivalents to fund, in whole or part, one or more acquisitions or related transactions. There are no limits on the types of businesses or fields in which we may invest. No businesses to acquire or develop have been identified by us at this time. We cannot predict what changes to our present business or operations would result from the sale of the Omega shares.

In addition to our cash, cash equivalents, and interest income, we have a potential secondary source of liquidity from dividends declared by Omega or Zap.Com, provided a consent is obtained from their lenders, although this will be of limited availability from Omega as we are in the process of selling our holdings in that company. Also, the sale of our holdings of common stock in these subsidiaries could provide another secondary source of liquidity as with our pending sale of our Omega holdings. 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 us of these securities or reduce the amount of proceeds that might otherwise be realized therefrom. Currently, all of our equity securities holdings are eligible for sale under Rule 144. We also have demand and piggyback registration rights for our Omega and Zap.Com shares. The low trading volumes for Omega and Zap.Com common stock may make it difficult for us to sell any significant number of shares in the public market other than pursuant to an underwritten offering.

Our 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 our operational and capital requirements for at least the next twelve months. Depending on the size and terms of future acquisitions of operating companies, we 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 us.

Off-Balance Sheet Arrangements

Neither us nor our subsidiaries have any off-balance sheet arrangements that are material to its financial position, results of operations or cash flows. We are a party to agreements with our officers, directors and to certain outside parties.

Summary of Cash Flows

	Zapata Corporate	Omega Protein	Zap.Com	Safety Components	Consolidated
Six Months Ended June 30, 2006					
Cash (used in) provided by					
Operating activities	$ (541)	$ (2,275)	$ (20)	$	$ (2,836)
Investing activities		(11,467)			(11,467)
Financing activities	190				