

Zapata Energy Corporation Completes \$50 Million Bought Deal Financing

CALGARY, ALBERTA--(May 5, 2010) -

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

Zapata Energy Corporation ("**Zapata**" or the "**Company**") (TSX VENTURE:ZCO) is pleased to announce that it has closed its previously announced equity offering, pursuant to which it issued 6,945,000 common shares at a price of \$7.20 per share for gross proceeds of \$50,004,000. The syndicate of underwriters was led by National Bank Financial Inc. and included FirstEnergy Capital Corp., Macquarie Capital Markets Canada Ltd., GMP Securities L.P., CIBC World Markets Inc., Cormark Securities Inc., Peters & Co. Limited and Wellington West Capital Markets Inc.

The underwriters have an over-allotment option to purchase up to an additional 1,042,000 Common Shares at a price of \$7.20 per Common Share for additional gross proceeds of approximately \$7,502,400. The Over-Allotment Option is exercisable in whole or in part for a period of 30 days following the date hereof.

Proceeds of the offering will be used for the expansion of the capital program, repayment of debt and general corporate purposes. Zapata Energy Corp. now has 30.8 million common shares and 34.1 million fully diluted common shares outstanding.

The securities offered have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

ADVISORY: This press release contains forward looking statements. More particularly, this press release contains statements concerning the anticipated use of the net proceeds of the offering. Although Zapata believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because Zapata can give no assurance that they will prove to be correct. Since forward looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. The intended use of the net proceeds of the offering by Zapata might change if the board of directors of Zapata determines that it would be in the best interests of Zapata to deploy the proceeds for some other purpose, such as an acquisition. The forward looking statements contained in this press release are made as of the date hereof and Zapata undertakes no obligations to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

For more information, please contact

Zapata Energy Corporation
Dan O'Neil
President & CEO
(403) 457-2242
(403) 457-2251 (FAX)
doneil@surgeenergy.ca

or
Zapata Energy Corporation
Max Lof
Chief Financial Officer
(403) 457-2245
(403) 457-2251 (FAX)
mlof@surgeenergy.ca

 [Zapata Energy Corporation Completes \\$50 Million Bought Deal Financing](#)
(28 KB)