

FOR IMMEDIATE RELEASE

ZODIAC CAPITAL TO JOINT VENTURE MAGNESIUM MINE AND MILL

Sydney NSW, February 28, 2008 -- Zodiac Capital Limited (NSX: ZOD) (the "Company") advises that it has entered into a Heads of Agreement to acquire a 50% joint venture interest in an existing magnesium mill and associated mining tenements in Henan province, China.

Lingbao Jinlong Magnesium Industry Company Limited ("Jinlong"), Zodiac's prospective joint venture partner, is a magnesium ore mining and processing company established in September 2004. Jinlong's operations are currently dormant due to International trade restrictions that were very recently lifted prior to which it had an initial operating capacity for 300 tonnes of ore to produce 28 tonnes of MgO product per day.

Under the terms of the Heads of Agreement exchanged today, the Company is to arrange the funding to accelerate the re-commissioning of the mining and plant operations. Zodiac will also provide for the introduction of technology and engineering to broaden the range of products and scale up milling and processing to approximately 3,000 tonnes per day of ore.

Jinlong tenements comprise a non-JORC resource of 19,147,000 tonnes (333 classified) and 10,156,000 tonnes (334 classified) of dolomite ore body averaging 34 metres thick in a tenement of 2,200 hectares (22 square kilometres), with a magnesium content grading at 21.35%. (Under the new Chinese resource reporting system 333 resources are generally the equivalent of inferred mineral resources and the 334 class has no CIM classification equivalent but is similar to the undiscovered resources class of USBM Circular 831.)

Under the terms of the Heads of Agreement and subject to completion of satisfactory due diligence, the Company is responsible for:

- Arrangements for funding totalling \$5,000,000 AUD for expansion of joint venture operations
- IPO of the joint venture company on the Australian Stock Exchange
- Provision of technical and engineering expertise in mining and processing

- Corporate, marketing, and financial management
- Jinlong will contribute the mining properties to the joint venture together with all improvements and all current operations thereon.
- Due diligence is expected to be completed by March 23, 2008, with the first tranche of funding expected for late April and the remainder upon IPO, tentatively planned for July or August 2008.

About Zodiac Capital Limited: Zodiac is an aggressive investment and transaction oriented business focused on wealth creation for its shareholders. The major Zodiac Capital investment and business activities are focused on advanced development stage projects and opportunities that are suitable for public listing in the resource and energy market sectors; opportunities in China, the Asian Pacific region; and to a lesser degree within the financial services, communications and Internet market sectors.