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FOR IMMEDIATE RELEASE

TERMINATION OF COLOSSAL MINING AGREEMENT

Sydney NSW, May 1, 2008 -- Zodiac Capital Limited (NSX: ZOD) advises that the Acquisition of the iron sands tenements in north west Luzon in the Philippines through its Colossal Mining Limited affiliate is no longer proceeding following termination of the Acquisition Agreement by Colossal Mining Corporation (Philippines).

The Company unfortunately could not reach agreement with regard to the payment of approximately US \$25 million in upfront payments to the original vendors.

As these payments were accountable prior to the issue of Mining Permits, the Company became increasingly concerned as a dispute between a former director and shareholder of Colossal Mining Corporation (Philippines) escalated. Although the Company is in receipt of advice that the matter was one that would not affect the rights to the acquisition, the major concerns were the ongoing threats being made to "kill the project" as well as the release in April on the Internet of alleged copies of texts allegedly threatening serious physical harm between the Philippine parties.

The Company is extremely disappointed that these matters of internal dispute within the vendor interests have escalated to the level where, in the Company's opinion, the project and/or tenements were at risk. In accordance with this opinion and on consideration of all advice sought, Colossal Mining Limited offered to pay the upfront monies and to hold them in the interests of the vendors until the physical issue of permits allowing mining operations to commence. This offer and conditioning of the payment arrangements under the Agreement was rejected by the vendors.

Following the arrangement by the Company of funding totalling in excess of \$60 million in both debt and equity, provision (conditional to issue of mining permits) for a US \$175 million debt guarantee through an industry joint venture partner for the planned Direct Reduction Iron facility within the project, and, the progression to Letters of Intent from Chinese iron and steel interests for in excess of 10 million tonnes per annum of iron ore off-take, the current position is one that is extremely disappointing to both the Company and its Colossal Mining Limited affiliate.

The Company does advise that it is considering its position in the Philippines as well as reviewing a number of other major mining opportunities that have been presented to the Company. The Company's interests will continue to maintain its Manila offices and is considering the appointment of replacement directors to Luzon Iron Development Group Corporation, the group's local operating arm.