

FOR IMMEDIATE RELEASE

ZODIAC ENTERS INTO AGREEMENT TO ESTABLISH AND FUND -- DYNAMIC AGRICULTURAL PRODUCTS LIMITED

Sydney NSW, July 8, 2008 -- Zodiac Capital Limited (NSX: ZOD) (the "Company") advises that it has entered into a commercialisation and funding agreement with Almighty Fodder Limited, a Queensland based company that has made some serious breakthroughs in the animal feed and food production industries. (See: www.almightyfodder.com)

The new venture, Dynamic Agricultural Products Limited ("**Dynamic**"), will acquire all the assets of and rights to the Almighty Fodder system and products following which **Dynamic** will have issued a total 40 million shares of which 20 million will have been issued respectively to each of Zodiac and Almighty Fodder Limited.

A **Dynamic** subsidiary company, Filagro Limited (**FILAGRO**) that will own the Middle East rights to the products will also be established and is proposed to be listed on the UK AIM Exchange where up to 4 million pounds is planned to be raised before year end for up to 50% of **FILAGRO**. **Dynamic** will retain a 50% post capital equity.

Dynamic and **FILAGRO** will raise seed capital of up to \$1,000,000 from sophisticated investors following which the **FILAGRO** IPO is planned to proceed in the UK. **Dynamic** is proposed to be listed on ASX following the **FILAGRO** listing; licensing of rights for other regions and public listing for those respective jurisdictions may also be considered.

Under the terms of the Agreement Zodiac will provide for or arrange funding of \$125,000 per month for a 12 month period under a secured loan agreement which can also be offset through seed capital and further equity placements.

ABOUT DYNAMIC AGRICULTURAL PRODUCTS LIMITED

Dynamic Agricultural Products Ltd introduces a breakthrough within the animal feed, meat production and agricultural industry sectors. **Dynamic** products bring affordable and cost effective solutions to a global market facing a rapidly emerging global food crisis and depleting and degrading water reserves and resources. **Dynamic** believes its future is assured and exciting with the very real potential to immediately become a market leader through the pent-up and explosive demand that exists within the agricultural and meat production industries for solutions to the world's imminent food and resource crisis.

SUPER CELL FODDER SYSTEM

The Company's Super Cell Fodder System is based around a fully controlled environment created and controlled through a proprietary method within a fully insulated shipping container wherein barley and other grains can be sprouted and/or grown using proprietary nutrient additives. Each

Dynamic Super Cell system produces one tonne of nutritional fodder per day for every 125Kg of grain added on a daily basis. The system is computer monitored and controlled and the proprietary nutrient additives are supplied by the Company to the end users on a monthly or fortnightly basis.

OTHER APPLICATIONS

Other Dynamic Super Cell applications provide for the intense production of other foods such as lettuce, tomatoes and strawberries that within the climate controlled environment can be produced year round.

SIGNIFICANT BENEFITS OF THE DYNAMIC SUPER CELLS INCLUDE:

1. Capable of feed production at up to 1/1000th the water cost of comparable production.
2. Each Super Cell can replace 60 to 120 acres of feed production land.
3. All production is organic – no herbicides or pesticides used.
4. Can produce fodder (and other produce) year round in all conditions – drought areas, desert regions, arctic climates and in areas of marginal or dry farming land.
5. Substantially reduces greenhouse emission through contribution to land use change.
6. Can substantially reduce methane and nitrous oxide emission through provision of natural additives in proprietary nutrients.
7. Can substantially increase farm production in almost any situation.
8. Commercially affordable & cost effective.

DEMAND ENVIRONMENT

Some of the most significant points to consider regarding the current traditional methods of agriculture, livestock production and feed production:

- As has been well publicised, with the explosion of the consumer class numbers throughout the Asian and Pacific regions and especially within China and India, there is now a massive global demand on food items and more importantly on the resources that provide the limiting factors to their production – land and water.
- Grazing occupies 26% of the Earth's terrestrial surface. Feed crop production requires a third of all arable land.
- Expansion of grazing land is a key factor in deforestation. 70% of previously forested land in the Amazon is now used as pasture.
- 70% of all grazing land in dry areas is considered degraded, because of overgrazing, compaction, and erosion attributable to livestock activity.
- Agriculture accounts for 70% of the world's annual water usage.
- Livestock production accounts for 8% of global human water use.
- Livestock are responsible for 18% of all greenhouse emissions (larger than the transport sector).

- The livestock sector is responsible for the production of gases with greater potential to warm than CO₂ – The sector produces 37% of all anthropogenic methane (mostly from enteric fermentation by ruminants) and 65% of anthropogenic nitrous oxide (mostly from manure).
- In the USA livestock and feed crop production are responsible for 37% of all pesticide use, 50% of antibiotic use and the sector generates 66% of all anthropogenic ammonia which contributes significantly to acid rain and acidification of ecosystems.

TECHNOLOGICAL ADVANTAGE OF DYNAMIC SUPER CELLS

To optimise production and provide for reliability and consistency under all conditions in all potential locations the Company uses a proprietary computer monitored and controlled Aeroponic environment within its Super Cells, thereby standardising all growing conditions.

The major threat to any germination and sprouting undertaking is contamination by mould and/or bacteria, particularly the more dangerous ones such as grey mould and the carcinogenic and often fatal *Aspergilla* strains. This has been the singular major factor holding back the commercialisation of closed environment growing systems and production units such as the Company's Super Cells. The Company's totally controlled and monitored growing environment together with its proprietary nutritive additives eliminate this threat.

Dynamic's proprietary nutritive additives will only be supplied directly to all users by the Company. The key products are a combination of natural compounds that form unique and altered bonds in combination resulting in additive products that cannot be reverse engineered.

One of the key additive products is Dynamic Supermin for use in cattle. On digestion, it can balance the pH of the animal rumen and thereby prevent acidosis and improve the health and well being of the animal. As the Dynamic Supermin also absorbs ammonia and other greenhouse gases created by the digestive process within animal intestines; it thereby may have the potential to reduce greenhouse gas emissions such as methane and nitrous oxide by between 30 and 60%. Subject to industry validation, **Dynamic** believes that carbon credits may at some future date be available to any farmers or enterprises using Dynamic Supermin.

COMMERCIALISATION

Engineering design of the Company's final production Super Cells is complete and arrangements are being finalised for mass production by a global provider of specialty containers.

An ongoing farm product trial is in operation in Dubbo, NSW Australia.

Four trial units have just been sold to UAE interests for delivery in August 2008. Following trials in the UAE, the Company is forecasting orders of a minimum budgeted 2,700 units over the next five years plus monthly consumables.

Two units are being prepared for Saudi Arabia trials that, following the trials, are expected to lead to volume orders. Inquiries are being entertained from interests in China and other Asian countries and local demand in Australia has also been established.

Zodiac Capital is providing loan funds to **Dynamic** to ensure that all production arrangements are finalised following which volume sales can then progress in all regions. These funds will be complemented and/or replaced with funds raised through the Company's seed capital offering and the planned IPOs.

WEBSITE REFERENCES

<http://www.fao.org/nr/water/art/2007/glance/facts2.html>

<http://fao.org/ag/magazine/0612sp1.htm>

<http://www.poodwaddle.com/worldclock.swf>

<http://www.fao.org/nr/water/docs/escarcity.pdf> (particularly P21)

<http://www.almightyfodder.com/>

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