

FOR IMMEDIATE RELEASE

ZODIAC ADVISES ON STATUS OF ITS AGREEMENT WITH ALMIGHTY FODDER LIMITED

Sydney NSW, July 18, 2008 -- Zodiac Capital Limited (NSX: ZOD) (the "Company") advises that subsequent to its advice of entering into an agreement with Almighty Fodder Limited as advised to the market on July 8, 2008 a number of issues have arisen that are of concern to the Company regarding the management, conduct and claims of Almighty Fodder Limited and the representations that it has made to its shareholders and others. The main matters of concern were raised with the Managing Director of Almighty Fodder Limited at its offices on Friday July 11, 2008, at which meeting the Company also verbally advised that it was considering withdrawing from the Agreement if corporate compliance matters were not prepared to be addressed by Almighty Fodder.

Subsequent to this meeting the Company received a purported Notice of Termination from lawyers representing Almighty Fodder Limited, late on July 17 alleging that the Company was in breach of its Agreement with Almighty Fodder. Zodiac denies this and advises that Almighty Fodder in fact has not complied with conditions precedent that Almighty Fodder was required to undertake by July 15, 2008.

Further the NSX also on late July 17, 2008 has required the Company to provide advice to the market as to whether the Agreement entered into with Almighty Fodder Limited was subject to approval from their shareholders. Zodiac advises that the Agreement was not subject to approval by Almighty Fodder shareholders. The Agreement was finalised as a commercialisation and funding agreement as Almighty Fodder could no longer pay its accounts as and when they fell due. Zodiac has in fact provided secured loan funds of \$50,000 to Almighty Fodder in order that it could pay its rental arrears on its headquarters as well as arrears in employee payments and partial payment to some of its creditors. Following receipt of the Notice of Termination from Almighty Fodder, Zodiac will now consider its options and rights and advise the market of its action following consideration of advice.

CONTACT: For further detail or inquiry please contact Dr Allen Bain at Zodiac Capital or email allen.bain@zodiaccap.com

Please Note: Due to World Youth Day the office of Zodiac Capital will not be open on Friday July 18, 2008.

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