



## **Zaio Closes Planned Acquisition of Virtual Imaging Corp. “Photographing America” Project Accelerated**

**Scottsdale, AZ, August 21, 2007** -- Zaio Corporation (TSX-V: ZAO) announced today that its wholly owned USA subsidiary, Zaio Inc., has closed its planned acquisition of the assets of Chicago, Illinois based Virtual Imaging Corporation (VIC). Virtual Imaging Corp. has produced 30 million interior and exterior photographs of buildings since 1980 and is the nation’s most experienced and largest firm in this industry. Zaio has successfully photographed 7.5 million homes and is currently taking photos at the rate of over 58,000 photos per day. The acquisition is expected to have a significant impact on Zaio’s rate of photography and database build-out.

Zaio is rapidly building the nation’s largest “Appraisal Knowledge Warehouse™” that contains exterior street level photos, interior photos, site verified property data, proprietary “GeoScore™” property ratings, and official appraised values of all buildings in the USA. The Company now has the ability to deliver a full range of appraisal services in all 50 states, and is delivering those services to 400 revenue generating clients. Zaio is working to accelerate the geographic coverage and availability of its “instant” valuation products.

Thomas Inserra, CEO of Zaio Corporation stated, “This deal is directly inline with our strategic initiative and it provides the resources necessary to significantly increase our database growth. We are focused on accelerating our national roll-out and delivering on those plans. We will continue to explore other ways to expedite completion of the database and continue to grow our business.”

The “Sub-Prime” lending crisis in the United States underscores the critical need for many types of customers to more quickly value the underlying real estate used as collateral in Mortgage Backed Securities, a \$20 trillion market. While stocks and bonds can typically be valued instantly in real-time, official appraisals of real estate often take 7 days to 7 weeks to be prepared.

That lengthy lag time in valuing real estate can lead to liquidity problems for lenders and the Mortgage Backed Securities market, particularly when real estate values are rapidly changing. Zaio is the only known company in North America that has a solution for this significant market problem by supplying customers with official appraised values in real-time (seconds). Customers access official appraisal reports prepared by licensed local appraiser experts who prepared their valuations in accordance with tough federal standards. The appraisals are obtained by customers much the same way they access credit reports from a secure credit database, and customers can more quickly and efficiently value one property or an entire portfolio of real estate.

Additionally, Rod Mitton, CFO of Zaio indicated that, “Zaio remains debt free and has a sizeable cash reserve that can be tapped if necessary to further accelerate our growth. We recently announced another solid quarter and, as previously stated our strong balance sheet is providing us the leverage to continuing our rapid pace of growth and execution on a number of strategic acquisitions to solidify Zaio leadership position in the marketplace.”

Mr. Mitton also confirmed that the Company has received approval for its Normal Course Issuer Bid from the TSX. The Bid will run from August 21, 2007 to August 20, 2008.

## **About Virtual Imaging Corporation**

Chicago Illinois based Virtual Imaging Corporation (VIC) was established in 1980 and is the nation's largest supplier of photos and virtual tour services to Realtors and MLS boards. More company information can be found at [www.v-i-c.com](http://www.v-i-c.com).

## About Zaio

Zaio is the North American leader in developing and maintaining a site-verified database of photos, valuations and property information of virtually every property for entire cities, using a proprietary "GeoScore™" property rating system. Zaio and its network of premiere, local appraiser experts photograph and appraise entire cities, one building at a time from the street.

Zaio is a public corporation that trades under the symbol "ZAO" on the TSX-V Exchange in Canada. Additional information is available for US investors under the symbol "ZAOFF". We invite you to visit our website at [www.zaio.com](http://www.zaio.com) for more information, or please contact:

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For investors who would like to be added to Zaio's investor distribution list, please contact Collum Hunter at [chunter@christensenir.com](mailto:chunter@christensenir.com).

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

This press release contains forward-looking statements which may include financial and business prospects, as well as statements regarding the Company's future plans, objectives or economic performance and financial outlooks, including without limitation, a forecast on expected annual revenues. Such statements are subject to risk factors associated with the real estate industry, and the overall economy in both Canada and the United States. There can be no assurance that the synergies and current revenues of the businesses acquired will continue and grow at the levels anticipated by management. The Company believes that the expectations reflected in this press release are reasonable, but actual results may be affected by a variety of variables and may be materially different from the results or events predicted in the forward-looking statements. Readers are therefore cautioned not to place undue reliance on these forward-looking statements.

In evaluating forward-looking statements readers should consider the risk factors which could cause actual results or events to differ materially from those indicated by such forward-looking statements. These forward-looking statements are made as of the date hereof, and unless otherwise required by applicable securities laws, the Company does not intend nor does it undertake any obligation to update or revise any forward-looking statements to reflect subsequent information, events, results or circumstances or otherwise.