



Zaio to Acquire Virtual Imaging Corp. Nations Largest Photography and Virtual Tour Business

Zaio Corporation

Source: <http://www.zaio.com>

Scottsdale, AZ, July 30, 2007 -- Zaio Corporation (TSX-V: ZAO) announced today that its wholly owned USA subsidiary, Zaio Inc., has reached a definitive agreement to acquire the assets of Chicago, Illinois based Virtual Imaging Corporation (VIC). VIC is the nation's largest supplier of photos and web based virtual tour services for Realtors and MLS boards. It manages a network of nearly 300 photographers located in 40 major USA metro markets in order to supply customers with more than 2 million photography and virtual tour services annually to facilitate real estate sale transactions.

Zaio will pay US \$1.2 million for VIC assets of which \$750,000 is cash and \$450,000 in shares of Zaio Corporation. Zaio has agreed to pay additional consideration over the 24 months after the closing based on performance and level of success in accelerating Zaio's photography rate. Thomas Beverly, CEO of VIC, will continue to serve the Realtor and MLS boards and will also lead Zaio's national photography efforts. Closing is expected in the next thirty days.

"This acquisition will allow Zaio to substantially increase its rate of photography, accelerate our original 5-year plan, and to immediately begin serving the needs of Realtors and MLS boards. To date Zaio has photographed 6.5 million homes, and is now taking photos at the rate of 55,000 per day" said Zaio Corporation CEO Thomas Inserra. "Mr. Beverly has overseen the capture of over 30 million photographs for real estate transactions since 1980 and is the nation's most experienced and successful executive in this industry. We are pleased to have him as part of our executive team."

Previously, Zaio Corporation announced its plans to photograph inspect and appraise virtually every home in the nation's largest 250 metro areas over the next five years. The photos and appraisals are stored in a secure database much the same way credit agencies store credit reports. This allows lenders, realtors, investors, insurance companies and other customers to access the photos and appraisal reports in just seconds, rather than waiting the customary 5 to 7 days to obtain an official appraisal from a licensed appraiser. This helps consumers, lenders and realtors by allowing them to close their transactions quicker. New or updated photos, tours and appraisals will continue to be provided on an as needed basis since the condition of homes can change over time.

Appraisals stored in Zaio's database have been prepared by licensed appraisers who are experts in their local market and the appraisals meet or exceed the highest federal appraisal standards, therefore their official valuations can be used for loans at financial institutions, or by buyers or sellers wanting to verify the price is supported by an objective third party expert who is not involved in the transaction. Some websites in the USA do currently supply a value estimate for homes, but those estimates are not official appraisal reports, they have not been prepared by licensed appraisers, and neither an inspection nor photo of the home has been performed in advance. Those estimates cannot be used for lending purposes.

Visitors to Zaio's website, www.zaio.com, can chart the company's progress by viewing a new "photometer" which shows the number of photos taken each day. Realtors, MLS boards, lenders and consumers are expected to benefit because they will enjoy the convenience of being able to instantly access a secure database of stored real estate images and appraisals which means they no longer need to wait for photos or appraisals to be produced.

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. For more company information, visit: 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". For more company information, visit www.zaio.com 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.

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 transaction described above will close or 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.