



Zaio Accelerates its National Appraisal Knowledge Warehouse™ Sub-Prime Meltdown Underscores Need for Accurate Valuations

Scottsdale, AZ, August 13, 2007 -- Zaio Corporation's (TSX-V: ZAO) USA subsidiary Zaio Inc. announced today its plans to accelerate its national Appraisal Knowledge Warehouse™ and valuation solutions due to increased demand from the Mortgage Backed Securities (MBS) and Asset Backed Securities (ABS) markets which hold more than \$20 trillion in loans secured with real estate.

“The sub-prime meltdown and current liquidity crisis is a result of the market’s inability to accurately value the underlying real estate for the MBS and ABS markets” said Thomas J. Inserra, Zaio Corporation CEO. “Increased loan delinquencies, foreclosures and the Sub-Prime meltdown have and are expected to continue to result in increased interest for Zaio’s products by a wide variety of customers. That increased demand among customers is causing us as a company to accelerate our Appraisal Knowledge Warehouse™ development and roll-out of these important products.”

Mr. Inserra served as National Chief Appraiser at both the Resolution Trust Corporation (RTC) and Federal Deposit Insurance Corporation (FDIC) during the banking and S&L crisis of the late 1980’s, when nonperforming real estate loans based on faulty property appraisals precipitated massive losses across the mortgage finance industry. Given his experiences while helping to resolve this crisis, Mr. Inserra is intimately familiar with the importance of credible and timely real estate valuations in the MBS and ABS markets.

Recent news accounts indicate the SEC is taking a closer look at the MBS and ABS markets to ensure that owners of these portfolios are properly accounting for the decline in the underlying real estate collateral. Lenders are also generally required by their regulators and auditors to increase the frequency and amount of valuations performed for delinquent or non-performing loans, as well as for REO and foreclosure purposes. These conditions result in a notable increase in demand for a wide range of appraisal products, including those currently offered by Zaio through its national network of appraisers. As a result of its recent business acquisitions, Zaio now has established relationships with over 10,000 appraisers capable of providing a full range of valuation services ranging from AVMs, BPOs, desk top valuations, drive-by, Review Appraisal, and full interior appraisal assignments. Zaio now has relationships with over 400 revenue generating customers who are ordering a wide range of valuation services.

Inserra added: “Large institutional customers are telling us there are two significant problems in the mortgage backed securities markets today. First, buyers and sellers of these large portfolios need to be able to instantly and accurately value the real estate for hundreds of thousands of properties, yet appraisers take days, weeks or months to complete that task. Second, pressure exerted on appraisers to artificially inflate the value of properties has compromised their independence and objectivity, causing the market to question the accuracy and consistency of appraisers. In the past, there has been no reliable method in place to measure the accuracy rate of appraisers. Zaio is the only company in North America that has solved these problems, and as a result, we are now accelerating the deployment of our valuable products across the USA.”

Zaio Corporation has partnered with elite local appraiser experts who are now helping to photograph, inspect and appraise every property in America. Zaio stores those completed appraisals in what is becoming the largest repository of official real estate appraisals by licensed appraisers in the world. Zaio's proprietary solution allows those appraisers to update the value estimate of each property in an entire city, in real time, daily, weekly or monthly, as may be needed by the client. It is important to note that during this site inspection of every property, Zaio is discovering that as much as 60% or more of the property records are inaccurate, because no other company has ever taken the time to put "feet on the streets" to verify the property data. Zaio customers are asking us to accelerate our deployment since they believe that access to this corrected property data will result in higher accuracy rates when making decisions relating to loan securitization, mortgage back securities, delinquencies, foreclosures and the fact that the valuations can be obtained "instantly" in real time increases liquidity in the securities markets.

Just like credit agencies that collect and store borrower credit information and credit scores in a proprietary database, Zaio maintains a proprietary "GeoScore™" on each property as a way to defeat mortgage fraud. Also, since the appraisals performed by Zaio affiliated appraisers are prepared prior to any transaction, there is no opportunity to exert pressure or influence the value estimate and customers can access the secure data instantly rather than waiting days or weeks. By carefully measuring the value estimate with actual sales that occur over time, Zaio is able to produce a reliable Accuracy Rate for every appraiser, which confirms the accuracy of the appraisals and the licensed experts who are preparing those appraisals.

Zaio's recent acquisitions have provided significantly more resources necessary to support an acceleration of our growth. In fact, Zaio now has the current ability to deliver a full range of valuation services in all 50 states to the mortgage backed securities and lending markets. Also, Zaio and its affiliated appraisers and photographers are now simultaneously deployed and implementing these new automated solutions in more than 200 USA cities across America. Zaio is quickly adding photos, site verified property data, and valuations to its National Appraisal Repository so these markets can objectively and "instantly" value real estate. Zaio's database currently consists of 140 million property records, and 7.3 million photos growing at the rate of over 58,000 homes per day.

About Zaio

Zaio Corp. and its USA Subsidiary Zaio Inc. 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. Zaio was awarded "Venture-50" status by the stock exchange ranking it among the top 10 technology firms out of 2,000 public companies based on return on investment, revenues, market cap and trading volume. 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. 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.