ZENN Motor Company Inc.
Toronto, Ontario, Canada
(TSXV: ZNN)

ZENN MOTOR COMPANY REPORTS FISCAL 2009 YEAR END RESULTS

Toronto, Ontario –January 28, 2010 – ZENN Motor Company Inc. ("ZMC" or the "Company") (TSX-V ZNN) a leading developer of zero emission transportation solutions, today announced its financial results for the three months and year ended September 30, 2009. All amounts are expressed in Canadian dollars unless otherwise indicated.

For the fourth quarter and year ended September 30, 2009, gross revenue was $653,972 and $1,970,507, respectively, compared with $915,003 and $3,533,480, respectively in the prior year. The Company recorded a provision for rebates relating to prospective marketing programs in the three month period and year in the amounts of $328,604 and $574,675, respectively, compared with $175,000 and $489,574, respectively, in the prior year's periods. Unit sales fell in the fourth quarter and year to 35 and 94, respectively, from 56 and 246 in the comparable prior year's periods.

Net loss for the three months and year ended September 30, 2009 was $3,753,671 and $10,089,127 or $(0.10) and $(0.29) per share, respectively, compared with a net loss of $2,312,728 and $7,738,623 or $(0.07) and $(0.25) per share, respectively, for the corresponding prior year periods. The net loss for 2009 includes a writedown of inventory of $1,033,029 related to terminating production of the ZENN LSV and a writeoff of deferred costs of $389,207 related to the Company's decision not to commercialize the cityZENN™.

At September 30, 2009, the Company had working capital of $9,655,369, including cash and temporary investments of $10,143,540, compared to working capital of $15,068,689, including cash and temporary investments of $14,686,100, as at September 30, 2008.

"2009 was both a challenging year and an exciting year for the Company," stated Ian Clifford, Chief Executive Officer. "There is no question that the economic turmoil had a profound effect on this year's results; unit sales declined and it required increasingly greater incentives to attain what results there were."

"Through all the challenges however, there have been some significant achievements that we believe bode well for the Company. In the year, we had EEStor release their permittivity results which was well received, we were able to raise capital in an extremely unstable and challenging market environment and we increased our equity investment in EEStor," said Clifford.

"We have also refined the focus of our energies and resources where we believe they will optimize shareholder value. To this end, as previously announced, we have decided not to bring the cityZENN to market as a commercial product and to cease production of the ZENN LSV in 2010. Instead, the Company's strategic focus going forward will be on its ZENNergy™ technologies and solutions, designed to capitalize on the unique characteristics expected of EEStor's capacitor-based energy storage technology. We are excited about the ZENNergy strategy; it builds on our experience from the cityZENN project and the ZENN LSV and is complementary to many electric vehicle initiatives being undertaken today by OEMs and Tier 1 suppliers in the automotive and specialty vehicle industries."

Additional Information

Readers are encouraged to read the Company's audited consolidated financial statements for the years ended September 30, 2009 and 2008, the corresponding Management's Discussion and Analysis and the Company's Annual Information Form (AIF) dated January 28, 2010, all of which have been filed on SEDAR at www.sedar.com and posted on the Company's website at www.ZENNcars.com.

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About ZENN Motor Company Inc.

ZENN Motor Company, Toronto, Canada, is dedicated to being a global leader in enabling zero emission transportation technologies and solutions for markets around the world. Driven by quality, ingenuity and a philosophy of social responsibility, the ZMC team is redefining what is possible in the electrification of transportation.

ZENNergy technologies and solutions, to be powered by EEStor's electrical energy storage technology are expected to enable OEM and Tier 1 partners to deliver advanced electric transportation solutions to their customers. The Company has a Technology Agreement with EEStor that provides certain exclusive and non-exclusive rights to purchase and deploy EEStor's EESU technology, which rights are detailed in the Company's AIF.

Forward-looking Statements

Certain statements in this release, other than statements of historical fact, may include forward-looking information that involves various risks and uncertainties that face the Company; such statements may contain such words as "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions, and may be based on management's current assumptions and expectations related to all aspects of the automotive industry, consumer demand for zero emission transportation solutions and the global economy. Risks and uncertainties that may face the Company include, but are not restricted to: the EEStor energy storage technology may not be successfully commercialized at all, in a manner providing the features and benefits expected while under development, or on a timely basis or the Company may not be able to successfully incorporate this technology into its current or proposed products; the Company could fail in its efforts to develop viable ZENNergy technologies and solutions or do so on a timely basis; steps taken by the Company to protect its proprietary rights may not be adequate or third parties may infringe or misappropriate the Company's proprietary rights; the Company has a history of losses from operations and may not be able to obtain financing, if and when required, to fund future expenditures for general administrative activities, including sales and marketing and research and development, expansion, strategic acquisitions or investment opportunities or to respond to competitive pressures; competitors may develop products which offer greater benefits to consumers, have greater market appeal or are more competitively priced than those offered by the Company; the Company may be exposed to product liability claims which exceed insurance policy limits; the Company is dependent on the ability and experience of a relatively small number of key personnel; new products introduced by the Company may not be accepted in the market or to the extent projected; new laws and regulations may be enacted or existing ones may be applied or governmental action may be taken in a manner which could limit or curtail the production or sale of the Company's products; and the Company may be negatively affected by reduced consumer spending due to the uncertainty of economic and geopolitical conditions. These risks and uncertainties may cause actual results to differ from information contained in this release, when estimates and assumptions have been used to measure and report results. There can be no assurance that any statements of forward-looking information contained in this release will prove to be accurate. Actual results and future events could differ materially from those anticipated in such statements. These and all subsequent written and oral statements containing forward-looking information are based on the estimates and opinions of management on the dates they are made and expressly qualified in their entirety by this notice. Except as required by applicable laws, the Company assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Readers are cautioned not to place undue reliance on any statements of forward looking information that speak only as of the date of this release. Additional information identifying risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in ZMC's current Annual Information Form and its other filings with the various Canadian securities regulators which are available online at www.sedar.com.

Information contained in this release relating to EEStor, Inc. or the energy storage technology being developed by EEStor has not been reviewed by EEStor and EEStor does not assume any responsibility for the accuracy or completeness of such information.

For additional information please contact:

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ZENN Motor Company Inc.
Consolidated Balance Sheets
(audited)

	Sep. 30 2009 $	Sep. 30 2008 $
Assets		
Current		
Cash and cash equivalents	2,543,540	7,686,100
Temporary investments	7,600,000	7,000,000
Accounts receivable	118,601	80,069
Inventory	552,074	1,958,233
Prepaid expenses and other assets	482,611	599,309
	11,296,826	17,323,711
Property, plant and equipment	237,876	362,413
Development costs	-	389,207
Rental deposits	13,358	98,552
EEStor technology rights	2,303,275	1,510,145
Investment in EEStor, Inc.	8,674,771	2,857,815
	22,526,106	22,541,843
Liabilities		
Current		
Accounts payable and accrued liabilities	1,641,457	2,078,969
Contingent loss on purchase commitment	-	176,053
	1,641,457	2,255,022
Shareholders' Equity		
Capital stock	52,009,481	41,863,409
Contributed surplus	1,946,725	1,322,066
Warrant capital	232,479	316,255
Deficit	(33,304,036)	(23,214,909)
	20,884,649	20,286,821
	22,526,106	22,541,843

ZENN Motor Company Inc.

Consolidated Statements of Operations and Deficit

For the three months and year ended September 30

	Three Months (unaudited)		12 Months (audited)	
	2008	2008	2009	2008
	$	$	$	$
Gross revenue	653,972	915,003	1,970,507	3,533,480
Provision for rebates	(328,604)	(175,000)	(574,675)	(489,574)
Net revenue	325,368	740,003	1,395,832	3,043,906
Cost of sales	497,522	871,812	1,673,403	3,072,616
Gross profit	(172,154)	(131,809)	(277,571)	(28,710)
Expenses				
Marketing and promotion	404,217	641,837	1,673,522	2,267,111
Engineering and development	987,164	281,841	1,940,716	770,735
General and administrative	1,123,780	956,122	4,802,747	4,383,311
Write-down of inventory	1,033,029	275,986	1,424,001	335,353
Foreign exchange loss (gain)	6,818	(58,121)	17,771	(74,064)
Contingent loss on purchase commitments	-	176,053	-	176,053
Amortization	42,340	36,610	175,770	142,814
	3,597,348	2,310,328	10,034,527	8,001,313
Loss before undernoted	(3,769,502)	(2,442,137)	(10,312,098)	(8,030,023)
Interest income	15,831	129,409	222,971	291,400
Net loss for the period	(3,753,671)	(2,312,728)	(10,089,127)	(7,738,623)
Deficit, beginning of period	(29,550,365)	(20,902,181)	(23,214,909)	(15,476,286)
Deficit, end of period	(33,304,036)	(23,214,909)	(33,304,036)	(23,214,909)
Loss per share, basic and diluted	(0.10)	(0.07)	(0.29)	(0.25)

ZENN Motor Company Inc.

Consolidated Statements of Cash Flows
For the year ended September 30
(audited)

	2009	2008
	$	$
Cash flows from operating activities		
Net loss for period	(10,089,127)	(7,738,623)
Add items not affecting cash flow		
Amortization	175,770	142,814
Stock based compensation	1,029,407	738,841
Deferred development cost written off	389,207	-
	(8,494,743)	(6,856,968)
Changes in non-cash working capital		
Accounts receivable	(38,532)	192,877
Inventory	1,406,159	(515,371)
Prepaid expenses and other assets	116,698	42,752
Accounts payable and accrued liabilities	(437,512)	444,033
Contingent loss on purchase commitment	(176,053)	176,053
	(7,623,983)	(6,516,624)
Cash flows from investing activities		
Purchase of short term investments	(600,000)	(7,000,000)
Development costs	-	(389,207)
Purchase of property and equipment	(51,233)	(152,180)
Rental deposits	-	(7,232)
Repayment of rental deposit	85,194	9,215
Investment in EEStor, Inc.	(5,816,956)	-
Acquisition of EEStor technology marketing rights	(793,130)	-
	(7,176,125)	(7,539,404)
Cash flow from financing activities		
Exercise of warrants	1,181,403	-
Issue of shares, net of costs	8,476,145	15,520,871
	9,657,548	15,520,871
Increase (decrease) in cash and cash equivalents during period	(5,142,560)	1,464,843
Cash and cash equivalents at beginning of period	7,686,100	6,221,257
Cash and cash equivalents at end of period	2,543,540	7,686,100
Consisting of:		
Cash	1,543,780	1,602,576
Short term investments	999,760	6,083,524
	2,543,540	7,686,100