



## Zenn to increase EESor ownership

**Shares jump 4.8% after announcing it will increase stake in energy storage technology firm**

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Shares in electric-car venture Zenn Motor Co. climbed nearly 5 per cent yesterday while most Canadian stocks took a tumble.

Investor enthusiasm was buoyed after Toronto-based Zenn said it was exercising a right to increase its interest in a Texas-based developer of a potentially game-changing energy storage technology.

EESor Inc. has developed and is trying to commercialize a cutting-edge ultracapacitor-based battery capable of storing huge amounts of energy at a fraction of the cost of traditional chemical batteries, including lithium-ion batteries being eyed for most electric vehicles.

EESor disclosed on April 24 that it had received third-party certification that the production-ready materials used to make its ultracapacitor meet the key requirements for attaining high-energy storage

Zenn said yesterday the certification results exceeded its expectations and that, under its technology agreement with EESor, it will make a \$700,000 (U.S.) milestone payment and exercise its option to increase its equity stake in the company.

Zenn plans to invest between \$2 million and \$5 million more in EESor, boosting its 3.8 per cent equity stake to as high as 10.5 per cent, though the actual percentage depends on the investment actions of other EESor shareholders.

Ian Clifford, chief executive of Zenn, said the next milestone from EESor is

actual delivery of a full, production-quality Electrical Energy Storage Unit, or EESU, that can be used to power an electric car. Zenn has worldwide exclusive rights to use the EESU in any vehicle under 1,400 kilograms.

"In addition to our exclusive automotive applications, our equity position in EESU gives our shareholders a stake in the many potential mass applications EESU can pursue," Clifford said, "such as powering portable consumer electronics, improving the performance of renewable-energy sources, such as wind and solar generation, and increasing the efficiency and stability of power grids around the world."

Though the company has just as many skeptics as followers, it plans to use an EESU storage unit to build a vehicle called the CityZenn that will have a top speed of 125 km/h and a range of up to 400 kilometres on a single charge.

EESU, backed by legendary venture-capital firm Kleiner Perkins Caufield & Byers, is also collaborating with U.S. military contractor Lockheed Martin, which announced in January 2008 it had negotiated exclusive rights to use the EESU in military and homeland security applications.

Shares in Zenn jumped 25 cents yesterday to \$5.50 (Canadian) on the TSX Venture Exchange. The stock has more than doubled in value since mid-April.