

January 27, 2014
ZENN Motor Company Inc.
Toronto, Ontario, Canada
(TSXV: ZNN)

ZENN COMPLETES ACQUISITION OF CONTROLLING STAKE IN EESTOR

Toronto, Ontario – January 27, 2014 –ZENN Motor Company Inc. (TSXV: ZNN; “ZENN” or the “Company”) announced today that it has completed the transactions contemplated by the investment agreement (the “Investment Agreement”) entered into with EESstor, Inc. (“EESstor”) and certain directors, officers and significant shareholders of EESstor (the “EESstor Principals”) and announced by ZENN on December 23, 2013.

ZENN has acquired 369,167 shares of Series A1 Preferred Stock (“Series A1 Shares”) of EESstor from treasury in consideration for an aggregate cash investment of US\$1.0 million. The Series A1 Shares carry one vote per share and rank equally and have identical terms to the Series A Preferred Shares recently acquired by ZENN other than in respect of the amount of priority entitlement on liquidation or wind-up. The issuance of the Series A1 Shares provided ZENN with combined holdings of 51% of the outstanding equity and voting shares of EESstor on an as-converted basis.

In addition, the EESstor Principals and their immediate family members exercised in full a right granted at closing to exchange up to 360,000 of their EESstor common shares for common shares of ZENN on the basis of 15 ZENN common shares for each EESstor share so exchanged. ZENN issued 5,400,000 common shares in connection with this share exchange. Following the acquisition of the additional 360,000 EESstor common shares, ZENN now owns approximately 68.4% of the equity and voting shares of EESstor on an as-converted basis. ZENN has also been granted the right to acquire all remaining EESstor shares held by the EESstor Principals and their immediate family members at an agreed upon value or fair value as determined by an independent valuator if agreement cannot be reached at any time before a merger of ZENN and EESstor, which the parties have agreed to explore.

In consideration for their facilitation of the financing transaction and changes in the board and management of EESstor, the EESstor Principals have been issued an aggregate of 600,000 common shares of ZENN, 150,000 of which are held in escrow and will be released after 4-months subject to the satisfaction of certain conditions. All 6,000,000 common shares of ZENN issued pursuant to the Investment Agreement are subject to a 4-month hold period in Canada.

The board of directors of EESstor has been reconstituted to six members, two of whom are to be nominated by the EESstor Principals provided that they and their immediate family members continue to hold at least 15% of the EESstor voting shares, and four of whom will be nominated by ZENN, provided that two must be independent of ZENN and EESstor. Upon closing, Stewart Somers and Roger Hammock, current directors of ZENN were appointed to the EESstor board. The EESstor board now is comprised of five directors with a sixth independent director to be nominated by ZENN to fill the current vacancy.

At closing, Richard Weir, a co-founder of EESstor, resigned as Chief Executive Officer and was appointed as Honorary Chairman, Founder and Chief Science Officer of EESstor. The current CFO of EESstor will stay on for a transitional period of three months. During the transition period the new EESstor board will look to fill the roles of CEO and CFO.

EEStor has engaged Mr. Jamin Patrick as a consultant for the transition period during which time Mr. Patrick will lead the transition and assist in the development of a plan for EEStor going forward. Mr. Patrick holds Bachelor of Science (Engineering) and MBA degrees and was most recently President of Thermal Dynamics, LLC, a California-based Tier 1 supplier of heat exchangers to vehicle original equipment manufacturers. Mr. Patrick has also served as Director of the Austin Technology Incubator and Managing Director of the Austin office of garage.com (now Garage Technology Ventures), where he worked with early stage technology companies. In addition, EEStor is forming a Technical Advisory Committee for the transition period. The Committee will report to the Board and Mr. Patrick and will assist in evaluating both the state of the current EEStor technology and its potential applications. The Committee is to be comprised of leading individuals with backgrounds in science, industry and academics. It is expected that after the transition period the Committee will be formalized on a longer term basis.

James Kofman, Chairman of ZENN commented, “The completion of these transactions represents a very important milestone for both ZENN and EEStor. ZENN is now in a position to assist and direct EEStor as it pursues the development of its technology. There has been uncertainty about the current state of EEStor technology and of testing results. The immediate priority of the companies is to complete development of reliable testing protocols and to develop an understanding of where the technology stands today. Mr. Weir will be in a position to give his undivided attention to the continued development of the EESU layers”. Mr. Kofman added “Through these transactions and the prior purchase of Series A Preferred Stock in EEStor from various vendors in December, 2013, ZENN has increased its ownership of EEStor by over 500% while only increasing its shares outstanding by approximately 34%. Should the EEStor technology prove successful, ZENN shareholders will have dramatically increased their exposure to the upside through these deals; of course it all depends on developing and proving the technology. We are fortunate to have an individual as capable as Mr. Patrick to help us assess the opportunities and to plan a path forward. We welcome the Weirs as shareholders of ZENN and we are pleased to see that our interests are now fully aligned”.

During the transition period ZENN and EEStor expect to:

- Settle on appropriate testing protocols
- Test sample layers previously produced
- Continue to work on the development of new EESU layers using new polymer formulations
- Analyze the powders and other materials produced by EEStor to better understand their potential
- Assess, based on testing results, the potential of the EESU layers for both energy storage and other applications, including existing capacitor markets
- Review the needs of EEStor from a personnel, equipment and financial perspective
- Develop a plan based on the state of the technology to move the technology forward
- Discuss with potential partners the opportunity to work together and accelerate the opportunities for EEStor

About ZENN Motor Company Inc.

The Company's goal is to be the provider of leading edge power storage solutions and related technologies. Through its 68% ownership of EEStor, ZENN is involved in the development of electrical energy storage units (EESUs) based on capacitors. Further, through its technology agreement with

EEStor, ZENN has the exclusive rights to utilize the technology, if developed, in most vehicle applications.

EEStor's energy storage technology is still under development and a number of further development milestones must be achieved before commercial viability can be established. There are significant risks associated with the development of new technologies such as EEStor's energy storage technology and readers are directed to the "Risk Factors" disclosed in ZENN's most recent Annual Information Form filed on SEDAR.

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