

May 5, 2014
ZENN Motor Company Inc.
Toronto, Ontario, Canada
(TSXV: ZNN)

ZENN MOTOR COMPANY ANNOUNCES RESIGNATION OF CHAIRMAN AND OTHER DIRECTOR

Toronto, Ontario – May 5, 2014 – ZENN Motor Company Inc. (TSXV: ZNN; “ZENN” or the “Company”), announces that, effective May 19, 2014, James Kofman shall resign as its Chairman, Interim CEO and as a director. The Company also announces that Allan Gregg, a director, has resigned effective May 19, 2014, and the transition consulting contract of Mr. Jamin Patrick has not been extended. Mr. Kofman has agreed to provide consulting assistance to the Company after his departure.

Mr. Kofman commented, “The results to date at EEStor have obviously been very disappointing for everyone. It is clear from our work that EEStor remains a long way from a commercial product. The team has worked hard since acquiring control of EEStor on January 27, 2014, to understand the technology and its prospects. The work of the Technical Advisory Committee (“TAC”), which has been a huge benefit to ZENN, has confirmed the challenges the Company had identified. While there is reason to be optimistic that there may be applications for the EEStor technology in existing capacitor markets, the real goal of achieving meaningful energy storage is unclear. It is time to restructure the companies and reassess the path forward. That is not the task I was brought in to do. My role was always meant to be interim; initially it was for just a few months starting in March 2011. We can be proud of our achievements in terms of an improved technology agreement and the acquisition of control of EEStor. However, we also know shareholders were looking for more. ZENN has always been committed to open and honest disclosure, good or bad. There can be no doubt about our candour in fully disclosing the challenges faced by EEStor in the development of its technology. I hope the company can succeed, and as I recently said at the AGM, the dream is still worth chasing.”

In light of the departures, Stewart Somers, a founding director of ZENN and Chair of its Audit Committee, will become Non-executive Chairman of ZENN and continue as EEStor’s Chair. Ian Clifford, Founder and Vice-Chair of ZENN will return as Chief Executive Officer of ZENN effective May 19, 2014, and will immediately assume the role as President of EEStor. The Company has also initiated a search for additional board members.

Mr. Clifford stated, “We originally asked Jim to take a leadership role at ZENN in 2011 when refocussing of the organization was necessary. Under Jim’s guidance we have strengthened our technology rights and achieved a controlling interest in EEStor. We did not anticipate the challenges that EEStor is facing in the development of its technology until recently. We are all disappointed with where the Company is today, but we will work hard to find a path to success. I also want to thank Allan Gregg for his years of service on the Board and his wise advice.”

Both EEStor and ZENN are operating with limited financial resources. They require additional capital promptly in order to continue operations. ZENN and EEStor are in discussions with a

number of potential partners. Unless the companies are successful in their attempts to attract capital, there can be no assurance about the future operation of their businesses.

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 EESstor, ZENN is involved in the development of electrical energy storage units (EESUs) based on capacitors. Further, through its technology agreement with EESstor, ZENN has the exclusive rights to utilize the technology, if developed, in most vehicle applications.

EESstor'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 EESstor's energy storage technology and readers are directed to the "Risk Factors" disclosed in ZENN's most recent Annual Information Form filed on SEDAR.

Forward-looking Statements

Certain statements and documents referred to 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 EESstor 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; 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 the Company's most recently filed Annual Information Form and its other filings with the various Canadian securities regulators which are available online at www.sedar.com.

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