

July 9, 2014
ZENN Motor Company Inc.
Toronto, Ontario, Canada
(TSXV: ZNN)

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ZENN MOTOR COMPANY PROVIDES CORPORATE UPDATE

Toronto, Ontario – July 9, 2014 – ZENN Motor Company Inc. (TSXV: ZNN; “ZENN” or the “Company”), today provided an update on its recent corporate activities and near-term business plans. Since the Company’s most recent update on May 30, 2014, its 71.3% owned subsidiary, EEStor, Inc. (“EEStor”) has been focusing on producing electrical energy storage layers that meet or exceed specifications for a number of existing commercial capacitor products outside of high energy density storage markets. The potential benefits of an EEStor capacitor, engineered for the aluminum electrolytic capacitor market, include higher voltage capabilities in a smaller volumetric design with a longer life cycle.

Current internal test results have met initial target specifications; however, in accordance with Company policy, details will not be released to the market until independently certified by a qualified third-party. In that connection, the Company has today engaged Intertek Group plc (“Intertek”), a multinational inspection, product testing and certification company, to validate the internal results under protocols selected by Intertek using its own equipment and testing in its own facilities. The results will be announced by the Company once testing is completed.

Funding Requirements

ZENN intends to raise gross proceeds of up to \$1.5 million in a non-brokered private placement financing, which may be subscribed for in whole or in part by insiders of the Company. Terms of the financing are to be established in the context of the market. Use of proceeds are intended to include:

- hiring senior staff at EEStor to expand its capabilities and accelerate product development;
- protecting further intellectual property;
- extensive third-party testing activities of ongoing enhancements to the current technology;
- arranging partnership and licensing opportunities with key global capacitor companies; and
- general corporate purposes and working capital.

Ian Clifford, Founder and CEO of ZENN and CEO of EEStor commented: “I am very encouraged by the focus of our team at EEStor over the past two months. Bringing in Intertek as our primary testing and certification company should bring a high level of confidence in the current and ongoing results and help us develop partnerships with leading international capacitor companies.”

The private placement, if proceeded with, would be subject to the approval of the TSX Venture Exchange and there can be no assurance that the placement will be completed.

About ZENN Motor Company Inc.

ZENN's mission is to be the provider of leading edge energy storage solutions and related technologies. The Company operates on the principle and belief that a fundamental breakthrough in energy storage will

be the catalyst for positive environmental and economic change globally. The Company's current business strategy is being recalibrated to focus on licensing and partnership opportunities across a broad spectrum of industries and applications if, as and when its technology achievements have been independently validated.

The Company holds an approximate 71.3% equity and voting interest and certain technology rights to an energy storage technology currently under development by EESstor, Inc. ("EESstor"). The recent acquisition of a controlling interest in EESstor aligns the businesses of both companies and allows ZENN to benefit from other revenue streams that might be available to EESstor, including applications not limited to high density energy storage.

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 or the products of others; 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 or on acceptable terms due to market conditions or other factors, 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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