

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

ZENN MOTOR COMPANY REPORTS 2014 FIRST QUARTER RESULTS

Toronto, Ontario – February 27, 2014 – ZENN Motor Company Inc. (TSXV: ZNN; “ZENN” or the “Company”), today announced its unaudited financial results for the three months ended December 31, 2013. All amounts are expressed in Canadian dollars.

Financial Results

In the three months ended December 31, 2013, net losses from continuing operations were \$384,222 or \$0.01 per share. For the corresponding period in the prior year, net losses from continuing operations were \$320,317 or \$0.01 per share.

At December 31, 2013, the Company had working capital of \$1,967,584 and cash, including cash, cash equivalents and short-term investments, totaling \$2,304,864, compared to working capital of \$461,292 and cash of \$715,869, respectively, at September 30, 2013.

EESstor Update

The changes previously announced at EESstor as a result of ZENN’s acquisition of control of EESstor are now being implemented. The Technical Advisory Committee (TAC) has been formed and has had its first formal meeting. Members of the TAC are involved on an active basis in assisting EESstor in reviewing its testing procedures, developing improved procedures, evaluating test results and generally providing technology assistance. Transition work is being undertaken to review and organize prior data and testing information. Under the direction of its Chief Science Officer, EESstor is working to produce new layers which can demonstrate both high resistance and high capacitance over a range of voltages. Recent EESU layers produced by EESstor have shown improvements in resistance, however, capacitance remains low. New layers produced in February with a thickness of 56 microns and ¼” x ¼” square showed resistance of approximately 1.9 terra ohms at both 100v and 250v. Capacitance was 0.110 nF at 100 Hz and remained constant from 30v to 200v. The EESstor team feels that as the fill factor of composition-modified barium titanate powder (CMBT) is increased in these layers, the capacitance should increase significantly. To understand this thesis, the EESstor team was asked to demonstrate that as CMBT levels were increased capacitance would indeed increase. To do so, EESstor retested EESU layers produced in April and May of 2013. Layers were produced with a similar mix, but had fill factors (the amount of CMBT by volume in the layer) of 10%, 20% and 30% respectively (ZENN is unable to confirm the composition of previously produced layers). The capacitance when tested at 100 Hz increased almost 10 times between the first two layers and the 30% layer had roughly 40 times the capacitance of the 10% layer. There is no assurance that the EESU layers that EESstor is currently working on which use the same CMBT, but are of a different formulation, will perform in a similar manner or that capacitance can be increased to commercially relevant levels. The EESstor team is focused on refining the current layers so that additional CMBT can be added.

Additional Information

Readers are encouraged to read the Company’s audited consolidated financial statements for the years ended September 30, 2013 and 2012, the corresponding Management’s Discussion and Analysis and the Company’s Annual Information Form dated February 19, 2014. All of these documents have been filed and are available for viewing on the Company’s profile on SEDAR at www.sedar.com and posted on the Company’s website at www.ZENNcars.com.

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.

For additional information please contact:

Natasha Vandesluis
Chief Financial Officer
ZENN Motor Company Inc.
Tel. 416-535-8395 ext. 220
nvandesluis@zenncars.com

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.