

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

ZENN MOTOR COMPANY ANNOUNCES ALIGNMENT OF COMPENSATION WITH TECHNOLOGY DEVELOPMENTS

TORONTO, ONTARIO September 12, 2011 -- ZENN Motor Company Inc. ("ZMC" or the "Company") (TSX VENTURE: ZNN), announces that the Company has granted options to James Kofman in lieu of monetary compensation for his role as Interim CEO. Mr. Kofman has agreed to take no cash compensation from the Company for his current role and instead will be granted options to purchase 250,000 common shares. Mr. Kofman has further agreed that none of the options will vest unless and until there is a public announcement from the Company's partner EESstor Inc. showing significant progress in its technology development.

ZMC has also granted options to purchase 40,000 common shares to each member of the Board of Directors in recognition of the increased roles and responsibilities each of the Directors has taken on given the significant reductions made in personnel and resources at the Company. None of the options will vest unless and until there is a public announcement from the Company's partner EESstor Inc. showing significant progress in its technology development.

The exercise price of all of the above options will be fixed at the time of the grant and the options will expire if there has not been an announcement, as described above, within 12 months of the date of grant. The options will be exercisable for a period of two years from the date they vest.

The Company has separately approved a grant of 50,000 stock options for Mr. Ian Clifford, Founder and Vice-chair of the Board of Directors for services provided on behalf of ZMC, at an exercise price to be fixed at the time of grant in accordance with the Company's stock option plan and which will expire in five years from the date of the grant.

About ZENN Motor Company Inc.

ZENN Motor Company, Toronto, Canada, is dedicated to enabling emission-free, energy-efficient transportation through its partnership with EESstor Inc.

Technologies and solutions, powered by EESstor's electrical energy storage units (EESU) have the potential to enable OEM and Tier 1 partners to deliver advanced electric transportation solutions to their customers. The Company has a Technology Agreement with EESstor that provides certain exclusive and non-exclusive rights to purchase and deploy EESstor's EESU technology, which rights are detailed in the Company's AIF.

Forward-looking Statements

Certain statements 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 ZMC's current Annual Information Form and its other filings with the various Canadian securities regulators which are available online at www.sedar.com.

Information contained in this release relating to EEStor, Inc. or the energy storage technology being developed by EEStor has not been reviewed by EEStor and EEStor does not assume any responsibility for the accuracy or completeness of such information.

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