

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

ZENN MOTOR COMPANY REPORTS FIRST QUARTER 2012 RESULTS AND SMALL ADDITIONAL INVESTMENT IN EESTOR

Toronto, Ontario – March 26, 2012 – ZENN Motor Company Inc. (TSXV: ZNN) (the “Company”) today announced its unaudited financial results for the three months ended December 31, 2011, in accordance with the newly adopted International Financial Reporting Standards. All amounts are expressed in Canadian dollars.

Financial Results

For the three months ended December 31, 2011, net losses from continuing operations were \$365,790 or \$0.01 per share. For the corresponding period in the prior year, net losses from continuing operations were \$722,645 or \$0.02 per share.

The 49% decrease in the loss from continuing operations in the current quarter compared to the same quarter of the prior year, is reflective of the cost cutting measures implemented as a result of a strategic review and refocus of the business initiated by the Board of Directors in May 2011.

At December 31, 2011 the Company had working capital of \$862,494 and cash, including cash, cash equivalents and short-term investments, totaling \$1,264,279, compared to working capital of \$1,095,105 and cash of \$1,680,165, respectively, at September 30, 2011.

Attached are the Company’s first quarter results for the period ending December 31, 2011. Details regarding the attached financial results can be found in the notes of the unaudited condensed interim financial statements filed on SEDAR (www.sedar.com).

EESTor Investment

The Company recently participated as a minority investor in an equity financing completed by EESTor, Inc. While the Company's investment was small, the investment was part of a financing that provided EESTor with additional working capital to further the development of its power storage technology. Importantly, as part of the investment the Company was able to review certain aspects of the technology and obtain a covenant from EESTor regarding a timeline for near term public disclosure of the status of its technological development certified by an independent third party.

ZENN Motor Company Inc.
Unaudited Condensed Interim Consolidated Statements of Financial Position
As at December 31, 2011, September 30, 2011 and October 1, 2010
(in Canadian dollars)

	Notes	December 31, 2011	September 30, 2011 ⁽¹⁾	October 1, 2010 ⁽¹⁾
Assets				
Current				
Cash		\$ 1,249,279	\$ 915,165	\$ 474,452
Short-term investments		15,000	765,000	4,600,200
Prepaid expenses and sundry assets		93,945	108,455	171,814
Current assets of discontinued operations	5	156,878	158,402	175,326
		1,515,102	1,947,022	5,421,792
Property and equipment	6	8,164	10,742	106,639
EEStor technology rights	7	2,303,275	2,303,275	2,303,275
Investment in EEStor, Inc.	8	8,674,771	8,674,771	8,674,771
Long lived assets of discontinued operations	5	74,153	81,900	114,490
		\$ 12,575,465	\$ 13,017,710	\$ 16,620,967
Liabilities				
Current				
Accounts payable and accrued liabilities		\$ 322,105	\$ 513,816	\$ 455,432
Current liabilities of discontinued operations	5	330,503	338,101	385,984
		652,608	851,917	841,416
Shareholders' Equity				
Share capital	11	52,398,685	52,398,685	52,239,586
Contributed surplus	12	4,295,050	4,134,763	3,238,394
Warrant capital	13	-	-	170,524
Deficit		(44,770,878)	(44,367,655)	(39,868,953)
		11,922,857	12,165,793	15,779,551
		\$ 12,575,465	\$ 13,017,710	\$ 16,620,967

⁽¹⁾ In preparing its 2011 comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). See Note 18 to these unaudited condensed interim consolidated financial statements for an explanation of the transition to IFRS.

ZENN Motor Company Inc.
Unaudited Condensed Interim Consolidated Statements of Comprehensive Loss
For the three months ended December 31
(in Canadian dollars)

	Notes	2011	2010 ⁽¹⁾
Expenses			
General and administrative	15,16,17	\$ 365,873	\$ 560,033
Engineering and development	9,15,16,17	3,330	87,727
Marketing and business development	15,16,17	285	85,971
		369,488	733,731
Interest Income		3,698	11,086
Loss from continuing operations		(365,790)	(722,645)
Loss from discontinued operations	5,15	(37,433)	(73,266)
Net Loss		(403,223)	(795,911)
Other Comprehensive Income		-	-
Total Comprehensive Loss		\$(403,223)	\$(795,911)
Loss per share, basic and diluted			
From continuing operations		\$(0.01)	\$(0.02)
From discontinued operations		\$(0.00)	\$(0.00)
Loss per share, basic and diluted		\$(0.01)	\$(0.02)
Weighted average number of common shares outstanding			
Basic and diluted		37,332,913	37,215,263

⁽¹⁾ In preparing its 2011 comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. See Note 18 to these unaudited condensed interim consolidated financial statements for an explanation of the transition to IFRS.

ZENN Motor Company Inc.
Unaudited Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the three months ended December 31
(in Canadian dollars)

	Notes	No. of Shares	Share Capital	Contributed Surplus	Warrant Capital	Deficit	Total Shareholders' Equity
Balances, September 30, 2011⁽¹⁾		37,332,913	\$52,398,685	\$4,134,763	\$ -	\$(44,367,655)	\$12,165,793
Net loss for the period		-	-	-	-	(403,223)	(403,223)
Other comprehensive loss		-	-	-	-	-	-
Total other comprehensive loss		-	-	-	-	(403,223)	(403,223)
Comprehensive loss for the period		-	-	-	-	(403,223)	(403,223)
Transactions with shareholders							
Exercise of Options		-	-	-	-	-	-
Issuance of shares		-	-	-	-	-	-
Grant of Options in Period		-	-	-	-	-	-
Forfeited Options in Period		-	-	-	-	-	-
Expired/Cancelled Options in Period	14	-	-	-	-	-	-
Stock based compensation in period	15	-	-	160,287	-	-	160,287
Total contributions by and distributions to shareholders		-	-	160,287	-	-	160,287
Balances, December 31, 2011		37,332,913	\$52,398,685	\$4,295,050	\$ -	\$(44,770,878)	\$11,922,857
Balances, October 1, 2010		37,215,263	\$ 52,239,586	\$ 3,238,394	\$ 170,524	\$(39,868,953)	\$ 15,779,551
Net loss for the period		-	-	-	-	(795,911)	(795,911)
Other comprehensive loss		-	-	-	-	-	-
Total other comprehensive loss		-	-	-	-	(795,911)	(795,911)
Comprehensive loss for the period		-	-	-	-	(795,911)	(795,911)
Transactions with shareholders							
Exercise of Options		-	-	-	-	-	-
Issuance of shares		-	-	-	-	-	-
Grant of Options in Period		-	-	-	-	-	-
Forfeited Options in Period		-	-	-	-	-	-
Expired/Cancelled Options in Period		-	-	-	-	-	-
Stock based compensation in period		-	-	112,023	-	-	112,023
Total contributions by and distributions to shareholders		-	-	112,023	-	-	112,023
Balances, December 31, 2010⁽¹⁾		37,215,263	\$52,239,586	\$3,350,417	\$170,524	\$(40,664,864)	\$15,095,663

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ZENN Motor Company Inc.
Unaudited Condensed Interim Consolidated Statements of Cash Flows
For the three months ended December 31
(in Canadian dollars)

	Note	2011	2010 ⁽¹⁾
Cash flows provided by (used in) operations			
Net loss from continuing operations for period		\$ (365,790)	\$ (722,645)
Items not affecting cash			
Amortization	6	2,578	22,008
Gain on sale of property and equipment	6	-	(2,559)
Stock based compensation	15	158,073	110,877
		(205,139)	(592,319)
Net changes in non-cash working capital			
Prepaid expenses and sundry assets		14,510	(2,667)
Accounts payable and accrued liabilities		(191,711)	183,995
		(382,340)	(410,991)
Investing			
Short-term investments		750,000	3,000,000
Acquisition of property and equipment		-	(1,393)
		750,000	2,998,607
Cash used in discontinued operations		(33,546)	(160,523)
Net change in cash		334,114	2,427,093
Cash, beginning of period		915,165	474,452
Cash, end of period		\$ 1,249,279	\$ 2,901,545

⁽¹⁾ In preparing its 2011 comparative information, the Company has adjusted amounts reported previously in financial statements prepared in accordance with Canadian GAAP. See Note 18 to these unaudited condensed interim consolidated financial statements for an explanation of the transition to IFRS.

Additional Information

Readers are encouraged to read the Company's audited consolidated financial statements for the year ended September 30, 2011, the corresponding Management's Discussion and Analysis and the Company's Annual Information Form dated January 27, 2012. All of these documents have been filed and are available for viewing 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 to the automotive industry.

Technologies and solutions, powered by EESor'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's Technology Agreement with EESor provides certain exclusive and non-

exclusive rights to purchase and deploy EESor'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 EESor 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 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 EESor, Inc. or the energy storage technology being developed by EESor has not been reviewed by EESor and EESor does not assume any responsibility for the accuracy or completeness of such information.

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