

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

ZENN MOTOR COMPANY REPORTS FISCAL 2011 RESULTS

Toronto, Ontario – January 27, 2012 – ZENN Motor Company Inc. (TSXV: ZNN) (the “Company”) today announced its audited financial results for the three months and year ended September 30, 2011. All amounts are expressed in Canadian dollars.

Financial Results

For the three months and year ended September 30, 2011, net losses from continuing operations were \$752,780 or \$0.02 per share and \$4,418,072 or \$0.12 per share, respectively. For the corresponding periods in the prior year, net losses from continuing operations were \$980,423 or \$0.03 per share and \$4,141,528 or \$0.11 per share, respectively.

The loss from continuing operations before unusual items for the three months and year ending September 30, 2011 were \$626,835 and \$3,472,654, respectively, which results in a 36% and 16% decline when compared to same periods in the prior year. The decrease in the current period is reflective of further 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. These cost savings are expected to continue into the Company’s 2012 fiscal year. The unusual items in the current period are legal expenses and reimbursement of a Director’s expenses in connection with board changes and severance costs.

At September 30, 2011 the Company had working capital of \$1,095,105 and cash, including cash and short-term investments, totaling \$1,680,165, compared to working capital of \$4,580,376 and cash of \$5,074,652, respectively, at September 30, 2010.

Company Update

James Kofman Chairman of the Board and Interim CEO commented: “It has been a difficult and challenging year for ZENN. The Company significantly reduced its cash burn rate by reducing its headcount and re-focusing the business. ZENN suspended its independent development of technologies that were intended to be complimentary to those being developed by EEStor in order to conserve its cash and ensure the pace of its developments were in line with the pace of development at EEStor. It also ceased investing in complimentary technologies. Unfortunately, while shareholders, employees and the Company’s directors were all hoping that there would be a public announcement from EEStor in 2011 about technological progress, no such announcement was made. The Company has worked hard to enhance its relationship with EEStor this past year. However, it is subject to a very strict non-disclosure agreement with EEStor and is not permitted to comment on the state of development of EEStor’s technology until such time as EEStor makes a public statement or otherwise authorizes ZENN to comment. Representatives of the Company have maintained a regular dialogue with EEStor, have visited

the facilities and have had ongoing discussions regarding the status of technology development efforts. Other than permittivity testing completed in 2009, ZENN has not had the contractual right to test any technology being developed by EESstor or to have independent experts verify the performance of technology being developed. However we are ready for such independent verification when EESstor has developments it is prepared to allow testing on.” Mr. Kofman added that “In 2011 we aligned the compensation of all Directors and the CEO with the public announcement of significant technological progress at EESstor. Everyone at ZENN is as eager as shareholders are to get to a public announcement about the progress of EESstor’s technology and we consistently encourage EESstor to provide regular public updates on the progress of its technology, but unfortunately both the pace of development of the ultracapacitor technology and any announcement regarding progress are not within the control of ZENN or its Directors. We are well aware of the frustration this can lead to for shareholders, but we have no choice but to respect the NDAs we are subject to. Going forward ZENN will need to strengthen its financial position. It is important to all shareholders that ZENN has the financial resources to ensure that it can capitalize on its investments in EESstor if and when the technology is ultimately developed.”

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.

ZENN Motor Company’s, Toronto, Canada, goal is to be the provider of leading edge power storage solutions and related technologies to the automotive industry.

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’s Technology Agreement with EESstor 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 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 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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