

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

ZENN MOTOR COMPANY REPORTS FISCAL 2012 RESULTS

Toronto, Ontario – January 25, 2013 – ZENN Motor Company Inc. (TSXV: ZNN; “ZENN” or the “Company”), today announced its audited financial results for the three months and year-ended September 30, 2012. All amounts are expressed in Canadian dollars.

Financial Results

The Company has converted to International Financial Reporting Standards for fiscal 2012.

For the three months and year-ended September 30, 2012, net losses from continuing operations were \$350,236 or \$0.01 per share and \$1,528,425 or \$0.04 per share, respectively. For the corresponding periods in the prior year, net losses from continuing operations were \$751,558 or \$0.02 per share and \$4,114,331 or \$0.11 per share, respectively.

Losses related to continued operations for the three months and year ended September 30, 2012, decreased by 53% and 63%, respectively, when compared to the same periods in the prior year. The decrease is primarily due to the reduction in headcount, in connection with the restructuring of the Company, which was implemented in May 2011. As a result of the restructuring, the Company incurred severance costs in the prior period of \$574,932, which were not applicable in the current period. The Company also incurred legal fees and reimbursement of a Director’s expenses totaling \$370,486, in the prior period, which were not applicable in the current period.

As of September 30, 2012, the Company had working capital of \$1,675,361 and cash including short-term investments, totaling \$1,937,592, compared to working capital of \$1,095,105 and cash of \$1,680,165, respectively, as September 30, 2011.

Company Update

James Kofman, Chairman and Interim Chief Executive Officer commented “There were a number of positive developments in fiscal 2012. The Company was able to significantly reduce its cash burn as well as strengthen its position with the new technology agreement to purchase electric energy storage units (“EESU”) currently in development, by EESstor, Inc. (“EESstor”). The Company has been able to increase its access to EESstor and its technological developments over the past year through increased frequency of communication and visits by our consultant to EESstor’s facilities to observe testing of various states of its technological developments.”

Following are some of the highlights of the past fiscal year:

- The cash burn for continuing operations decreased to \$1,078,599 in the current fiscal, from \$2,969,910 in the prior fiscal.
- In April 2012, the Company was able to strengthen its capital position through a non-brokered private placement that resulted in gross proceeds of \$1,997,500.
- In May 2012, the Company entered into a new technology agreement with EESstor that significantly expanded the Company’s exclusive rights to sell EESUs. The entire ZENN team worked to improve the

level of interaction with EESstor and was given much deeper access to its technological developments which has resulted in more publicly available information regarding the status of its EESU developments.

Additional Information

Readers are encouraged to read the Company's audited consolidated financial statements for the years ended September 30, 2012 and 2011, the corresponding Management's Discussion and Analysis and the Company's Annual Information Form dated January 24, 2013. 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 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 rights to purchase and deploy EESstor's EESU technology which has been filed and is available for viewing on SEDAR at www.sedar.com.

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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