

ZENN Motor Company Reports Second Quarter 2012 Results

TORONTO, ONTARIO--(Marketwire – May 29, 2012) - ZENN Motor Company Inc. (TSX VENTURE:ZNN) (the "Company") today announced its unaudited financial results for the three and six months ended March 31, 2012, in accordance with International Financial Reporting Standards. All amounts are expressed in Canadian dollars, except as otherwise stated.

Financial Results

For the three and six months ended March 31, 2012, net losses from continuing operations were \$347,500 or \$0.01 per share and \$713,290, or \$0.02 per share, respectively. For the corresponding periods in the prior year, net losses from continuing operations were \$894,158 or \$0.02 per share and \$1,616,803 or \$0.04 per share, respectively before undernoted items and \$1,466,404 or \$0.04 per share and \$2,189,049 or \$0.06 per share, respectively, after unusual items.

The 56% decrease in the loss from continuing operations, in the six months ended March 31, 2012, compared to the same period in the prior year, before undernoted items, 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 March 31, 2012 the Company had working capital of \$553,409 and cash, cash equivalents and short-term investments totaling \$774,650 compared to working capital of \$1,095,105 and cash of \$1,680,165 respectively, at September 30, 2011. The following transactions have not been included in the above information. On April 13, 2012 the Company completed a non-brokered private placement with gross proceeds of \$1,997,500. The Company also received a total of \$303,750 for options that were exercised subsequent to the quarter end. On May 16th, 2012, the Company made the required payment of US\$500,000 that was due upon signing of the new technology agreement with EEStor.

Additional Information

Readers are encouraged to read the Company's unaudited consolidated financial statements for the quarter ended March 31, 2012, 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 EEStor'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 EEStor provides

certain exclusive rights to purchase and deploy EEStor's EESU technology, which has been filed and is available for viewing on SEDAR.

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 EEStor 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 EESstor, Inc. or the energy storage technology being developed by EESstor has not been reviewed by EESstor and EESstor does not assume any responsibility for the accuracy or completeness of such information.

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