

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

ZENN MOTOR COMPANY REPORTS THIRD QUARTER 2011 RESULTS

Toronto, Ontario – August 18, 2011 – ZENN Motor Company Inc. (“ZMC” or the “Company”) (TSX-V:ZNN) today announced its unaudited financial results for the three and nine months ended June 30, 2011. All amounts are expressed in Canadian dollars.

Financial Results

For the three and nine months ended June 30, 2011, net loss from continuing operations was \$1,389,020 or \$0.04 per share and \$3,665,292, or \$0.10 per share, respectively, after unusual items. For the corresponding periods in the prior year, net losses from continuing operations were \$1,060,614 or \$0.03 per share and \$3,161,105 or \$0.09 per share, respectively.

As part of the plan to re-focus and restructure the Company, non-recurring severance costs of \$448,987 were incurred in the current quarter. Excluding these severance costs, the loss from continuing operations in the three months ended June 30, 2011 decreased by approximately 11% as compared to the same period in the prior year. Exclusive of the year-to-date unusual items in the nine months ended June 30, 2011, the loss from continuing operations has declined by 16.3% compared to the same period in the prior year.

At June 30, 2011 the Company had cash, cash equivalents and short-term investments totaling \$2,039,529 compared to cash, cash equivalents and short-term investments of \$5,074,652, at September 30, 2010.

Company Update

During the quarter, the Company continued its plan to simplify the organization, reduce costs and focus the Company’s resources on its investment in EESstor, Inc. The Company has been aligning its expenditures with the pace of development of EESstor power storage technologies. James Kofman, Chairman and Interim Chief Executive Officer of ZENN commented, "The Company has gone through some tough but necessary changes over the past few months. We have reduced personnel and significantly reduced the cash burn rate going forward. At the same time we have worked hard to build on our relationship with EESstor. The Company has ceased expenditures on the development of technology complimentary to EESstor's work and will evaluate future expenditures as and when developments occur at EESstor." Mr Kofman added, "We recognize shareholders are looking for updates on the progress at EESstor. As previously noted, our technology agreement precludes us from making announcements on new developments in advance of any official release by EESstor. We are in constant contact with our EESstor partners and are committed to the timely release of material developments, as soon as they occur."

Additional Information

Readers are encouraged to read the Company’s unaudited consolidated financial statements for the quarter ended June 30, 2011, the corresponding Management’s Discussion and Analysis and the Company’s Annual Information Form dated January 20, 2011. 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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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About ZENN Motor Company Inc.

ZENN Motor Company, Toronto, Canada, is dedicated to enabling emission-free, energy-efficient transportation through unique, yet widely applicable, technology offerings. Driven by quality, ingenuity and a philosophy of social responsibility, the ZMC team is redefining what is possible in the pursuit of zero emission transportation.

ZENNergy technologies and solutions, to be powered by EESstor's electrical energy storage units (EESU) are expected 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; the Company could fail in its efforts to develop viable ZENNergy technologies and solutions or do so on a timely basis; 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 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.

For additional information please contact:

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