



FOR IMMEDIATE RELEASE

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

ZENN MOTOR COMPANY REPORTS FIRST QUARTER FISCAL 2008 RESULTS

Toronto, Ontario – February 15, 2008 – ZENN Motor Company Inc. (“ZMC” or the “Company”) (TSX-V ZNN) today announced the financial results for the three months ended December 31, 2007. All amounts are expressed in Canadian dollars unless otherwise indicated.

Financial Results

In the three months ended December 31, 2007, Company gross revenue was \$900,424 compared to \$652,695 in the corresponding period of 2006. Net revenue of \$694,856 in the current period reflects anticipated rebates of \$205,568 (2006 – nil) relating to a marketing program initiated in September 2007. Unit sales in the quarter were 69, a 51% increase over the corresponding period in 2006.

Net loss for the three months ended December 31, 2007 was \$1,677,662 or \$0.06 per share compared to a loss of \$1,272,359 or \$0.06 per share for the same period in 2006.

At December 31, 2007 the Company had cash and cash equivalents of \$4,848,193 and working capital of \$5,536,237 compared to cash and cash equivalents of \$6,221,257 and working capital of \$6,944,190 at September 30, 2007.

“In the first quarter, we increased our ZENN™ (ZENN) unit sales and market penetration. As a result of our focus on key markets, we have a number of excellent retailer candidates in the qualification process and expect to resume growth in our retailer network during the second quarter” says Ian Clifford, CEO of the Company. “We are very pleased with the results of the Ambassador Program, introduced in late September. The objective of the program is to increase the visibility of ZENN on the street, effectively creating rolling billboards. In the quarter, we received orders for 82 vehicles, and the feedback from the retailer is what we were hoping for – that the ZENN on the street attracts attention and more business.”

“We were also pleased to hear the announcement from EESor that Lockheed Martin had entered into a license arrangement for its EESU. We see this as a positive sign in the development of the technology” says Clifford.

Market and Product Development

At December 31, 2007 the Company had 31 retailer locations in 20 U.S. States. Further expansion of the retailer network will be focused in key strategic markets, primarily in the southern United States. Revenue growth is expected to be generated from increased sales in the existing markets in addition to market expansion. The Company has also received both the California Air Resources Board (CARB) and



the U.S. General Services Administration (GSA) approvals for the ZENN. These approvals should help open up both the California and federal government fleet markets for the ZENN.

In December, the Company announced a next generation power train for the ZENN featuring an alternating current (AC) motor. The new power train is expected to provide increased range, superior hill-climbing ability and operational versatility. The AC powered ZENN will also offer its innovative air conditioning as an option and will begin shipping in February 2008. The introduction of air conditioning for a LSV further affirms the Company's leadership in the electric vehicle marketplace.

In anticipation of the EESstor technology being successfully commercialized, the Company is readying its plans to incorporate the technology in its ZENN product offerings. In addition, the Company has begun investigation of options for developing its future generation of longer-range, highway-capable vehicles. Two of the more promising opportunities being examined are retrofit kits and a small to mid-size automobile (curb weight less than 1400 Kg/3087 lbs) with highway capable speeds and range. The retrofit kits would be designed for mass conversion of specific existing automobiles from internal combustion to an electric drive train. On the new car front, while the final specifications have yet to be confirmed, the Company is exploring the development of small and mid-size cars that have a top speed of 65 to 75 MPH (105 to 120 KPH) and a single-charge range of 200 to 400 miles (325 to 650 Km). Subject to satisfying local homologation requirements, these new vehicles would be distributed to major markets globally. The Company estimates that global annual sales units for this size of new car to be in excess of 30 million. Third party discussions have been initiated to assess possible manufacturing and distribution scenarios.

Additional Information

Readers are encouraged to read the Company's unaudited consolidated financial statements for the three months ended December 31, 2007, the corresponding Management's Discussion and Analysis and the Company's Annual Information Form dated January 21, 2008, all of which are available at www.sedar.com or the Company's website at www.ZENNCars.com.

ABOUT ZENN Motor Company Inc.

With Head Office in Toronto, Canada, ZENN Motor Company is dedicated to being the global leader in producing zero emission transportation solutions for markets around the world. The Company's current ZENN car is the perfect vehicle for urban commuters, fleets (such as resorts, gated communities, airports, college and business campuses, municipalities, parks and more), the environmentally conscious driver, and consumers who just want to save money. The ZENN is sold through a growing network of retailers across the United States.

The ZENN is a fully electric low speed vehicle (LSV) with European styling and appointments that offers customers tremendous operational cost savings compared to a vehicle powered by an internal combustion engine. Named "Best Urban Vehicle" at the 2006 Michelin Bibendum Challenge, the ZENN performed exceptionally well in all categories including excellent overall design, acceleration, braking, lowest power consumption and lowest noise level.



The potential commercialization of the high power-density ceramic ultra capacitor being developed by the Company's strategic partner, EESstor Inc. for future ZENN vehicles will enable them to travel greater speeds and distances like a traditional car at a fraction of the cost. Moreover, ZENN electric vehicles won't emit emissions or noise pollution and will provide their owners a freedom from worrying about escalating gas prices – making widespread concerns about oil dependency a thing of the past.

Forward-looking Statement

Certain statements in this release may contain "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of ZENN Motor Company Inc. to be materially different from those expressed or implied by such forward-looking statements including but not limited to those risk factors discussed in the Company's most recent Annual Information Form. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. ZMC does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

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For additional information please contact:

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ZENN Motor Company Inc.
Consolidated Balance Sheets

	Dec. 31 2007 (unaudited) \$	Sep. 30 2007 (audited) \$
Assets		
Current		
Cash and cash equivalents	4,848,193	6,221,257
Accounts receivable	315,573	272,946
Inventory	1,189,809	1,442,862
Prepaid expenses and other assets	<u>641,445</u>	<u>642,061</u>
	6,995,020	8,579,126
Property, plant and equipment	348,113	353,047
Rental deposits	91,320	100,535
EEStor technology rights	1,510,145	1,510,145
Equity investment in EEStor, Inc.	<u>2,857,815</u>	<u>2,857,815</u>
	<u><u>11,802,413</u></u>	<u><u>13,400,668</u></u>
Liabilities		
Current		
Accounts payable and accrued liabilities	<u>1,458,783</u>	<u>1,634,936</u>
Shareholders' Equity		
Capital stock	26,204,071	26,081,655
Contributed surplus	750,259	584,455
Warrant capital	543,248	575,908
Deficit	<u>(17,153,948)</u>	<u>(15,476,286)</u>
	<u>10,343,630</u>	<u>11,765,732</u>
	<u><u>11,802,413</u></u>	<u><u>13,400,668</u></u>

ZENN Motor Company Inc.
Consolidated Statement of Operations and Deficit
For the three months ended December 31
(unaudited)

	2007	2006
	\$	\$
Gross revenue	900,424	652,695
Provision for rebates	<u>205,568</u>	<u>-</u>
Net revenue	694,856	652,695
Cost of sales	<u>661,677</u>	<u>639,240</u>
Gross profit	33,179	13,455
Expenses		
Modification and engineering	157,040	115,725
General and administrative	1,123,650	811,607
Marketing and promotion	473,920	321,207
Foreign exchange (gain)	(12,437)	(9,549)
Amortization	34,323	17,511
Inventory write-down	-	<u>39,201</u>
	<u>1,776,496</u>	<u>1,295,702</u>
Loss from operations	(1,743,317)	(1,282,247)
Interest income	<u>65,655</u>	<u>9,888</u>
Net loss for the period	(1,677,662)	(1,272,359)
Deficit, beginning of period	<u>(15,476,286)</u>	<u>(8,500,145)</u>
Deficit, end of period	<u>(17,153,948)</u>	<u>(9,772,504)</u>
Loss per share, basic and diluted	(0.06)	(0.06)
Weighted average number of shares outstanding	28,810,676	22,703,299

ZENN Motor Company Inc.
Consolidated Statement of Cash Flows
For the three months ended December 31
(unaudited)

	2007	2006
	\$	\$
Cash flows from (to) operating activities		
Net loss for period	(1,677,662)	(1,272,359)
Add items not affecting cash flow		
Amortization	34,323	17,511
Stock based compensation	165,804	77,715
	<u>(1,477,535)</u>	<u>(1,177,133)</u>
Changes in non-cash working capital		
Accounts receivable	(42,627)	(531,795)
Inventory	253,053	(769,702)
Prepaid expenses and other assets	616	111,845
Accounts payable and accrued liabilities	(176,151)	435,091
	<u>(1,442,644)</u>	<u>(1,931,694)</u>
Cash flow from (to) investing activities		
Purchase property, plant and equipment	(29,391)	(106,597)
Rental deposits	9,215	(37,830)
	<u>(20,176)</u>	<u>(144,427)</u>
Cash flow from (to) financing activities		
Exercise of warrants	89,756	176,201
	<u>89,756</u>	<u>176,201</u>
Increase (decrease) in cash during period	(1,373,064)	(1,899,920)
Cash and cash equivalents at beginning of period	6,221,257	2,216,962
Cash and cash equivalents at end of period	4,848,193	317,042