

**FOR IMMEDIATE RELEASE**

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

**ZENN MOTOR COMPANY REPORTS  
FIRST QUARTER 2009 RESULTS**

**Toronto, Ontario – February 26, 2009** – ZENN Motor Company Inc., (“ZMC” or the “Company”) (TSX-V ZNN) a leading developer of zero emission transportation solutions, today announced its financial results for the three months ended December 31, 2008. All amounts are expressed in Canadian dollars unless otherwise indicated.

For the three months ended December 31, 2008, gross revenue was \$545,392, (2007 - \$900,424) a decline of 39% from the corresponding 2007 period. Unit sales in the current quarter were 24 compared to 69 in the corresponding prior year period and were negatively impacted by a supplier problem and a significant deterioration in the sales of automobiles of every type.

Net loss for the three month period was \$1,786,420 or \$(0.05) per share compared with a net loss of \$1,677,662 or \$(0.06) per share for the corresponding period in the prior year.

At December 31, 2008 the Company had working capital of \$13,435,453 including cash, cash equivalents and short-term investments totaling \$11,765,187 compared to \$15,068,689 and \$14,686,100, respectively, at September 30, 2008.

“The Company’s first quarter results were affected by two significant events” said Ian Clifford, CEO of the Company. “A supplier of a major powertrain component experienced a labour disruption at its production facility that prevented us from completing and shipping ZENNs from mid-September until mid-December. Our engineering and production teams quickly integrated a product from an alternative supplier but the disruption did cost us sales and momentum in the market.”

“The second major event” said Clifford, “is the economic turmoil that has rolled over the U.S. and most countries around the world. Auto sales, particularly in the U.S., have experienced a major decline and it will take time for consumer confidence to be restored. While we operate in a somewhat unique space, we are not immune to the pressures currently suppressing the auto market. The Company continues to have a strong balance sheet, and with a keen focus on value spending, we remain committed to our on-going development projects that will drive the future of the business.”

“Despite the economic turmoil” observed Clifford, “it is encouraging to see that governments have maintained their commitment to alternative energy and green strategies. The Obama Administration in the United States has made clean energy a major priority and allocated several billion dollars towards alternative energy initiatives as part of its stimulus package. The Government of Ontario has also made clean energy a priority and announced a number of “green” incentive programs. Our mission plays well into these strategies and the Company is pursuing funding opportunities on both sides of the border that would enable us to further accelerate our development initiatives. While there can be no assurances of success” says Clifford, “the Company’s plans and opportunities have generated considerable interest.”

### **Additional Information**

Readers are encouraged to read the Company’s unaudited consolidated financial statements for the three months ended December 31, 2008 and the corresponding Management’s Discussion and Analysis both of which have been filed on SEDAR at [www.sedar.com](http://www.sedar.com) and posted on the Company’s website at [www.ZENNCars.com](http://www.ZENNCars.com).

*The TSX Venture Exchange does not accept 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 being the global leader in zero emission transportation solutions for markets around the world. Driven by quality, ingenuity, and a philosophy of social responsibility, the ZMC team is redefining what is possible in both urban and business fleet transportation.

The ZENN™ (Zero Emission No Noise) provides an excellent alternative transportation solution for environmentally conscious drivers who want to dramatically reduce their operating costs and free themselves from dependence on oil. The current ZENN low speed vehicle is perfect for urban commuters and commercial fleets such as resorts, gated communities, airports, college and business campuses, municipalities, and parks and is sold through a network of retailers across the United States and directly by the Company in Quebec.

The planned commercialization and implementation of the ultra capacitor being developed by ZENN Motor Company’s strategic partner EESor, Inc., is expected to enable future ZMC vehicles and ZENNEnergy™ drivetrain powered vehicles to travel at speeds and distances similar to internal combustion powered vehicles but at a fraction of the cost and with zero emissions!

## **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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**ZENN Motor Company Inc.**  
Consolidated Balance Sheets

	Dec. 31 2008 \$ (unaudited)	Sep. 30 2008 \$ (audited)
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	6,540,187	7,686,100
Short-term investments	5,225,000	7,000,000
Accounts receivable	216,781	80,069
Inventory	2,535,032	1,958,233
Prepaid expenses and sundry assets	<u>700,327</u>	<u>599,309</u>
	15,217,327	17,323,711
Property and equipment	333,506	362,413
Development costs	539,046	389,207
Rental deposits	88,852	98,552
EEStor technology rights	1,510,145	1,510,145
Investment in EEStor, Inc.	<u>2,857,815</u>	<u>2,857,815</u>
	<u>20,546,691</u>	<u>22,541,843</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	1,781,874	2,078,969
Contingent loss on purchase commitment	<u>-</u>	<u>176,053</u>
	1,781,874	2,255,022
<b>Shareholders' Equity</b>		
Capital stock	41,874,203	41,863,409
Contributed surplus	1,651,502	1,322,066
Warrant capital	240,441	316,255
Deficit	<u>(25,001,329)</u>	<u>(23,214,909)</u>
	<u>18,764,817</u>	<u>20,286,821</u>
	<u>20,546,691</u>	<u>22,541,843</u>

## ZENN Motor Company Inc.

Consolidated Statements of Operations and Deficit  
For the three months ended December 31  
(unaudited)

	2008	2007
	\$	\$
Gross revenue	545,392	900,424
Provision for rebates	<u>51,156</u>	<u>205,568</u>
Net revenue	494,236	694,856
Cost of sales	<u>589,099</u>	<u>661,677</u>
Gross profit	(94,863)	33,179
Expenses		
Marketing and promotion	436,989	475,740
Engineering and development	209,445	157,040
General and administrative	1,125,485	1,121,830
Foreign exchange loss (gain)	(20,903)	(12,437)
Amortization	<u>44,408</u>	<u>34,323</u>
	<u>1,795,424</u>	<u>1,776,496</u>
Loss before undernoted	(1,890,287)	(1,743,317)
Interest income	<u>103,867</u>	<u>65,655</u>
Net loss for the period	(1,786,420)	(1,677,662)
Deficit, beginning of period	<u>(23,214,909)</u>	<u>(15,476,286)</u>
Deficit, end of period	<u>(25,001,329)</u>	<u>(17,153,948)</u>
Loss per share, basic and diluted	(0.05)	(0.06)
Weighted average number of shares outstanding	33,633,059	28,810,676

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

	<u>2008</u>	<u>2007</u>
	\$	\$
<b>Cash flows from operating activities</b>		
Net loss for period	(1,786,420)	(1,677,662)
Add items not affecting cash flow		
Amortization	44,408	34,323
Stock based compensation	256,917	165,804
	<u>(1,485,095)</u>	<u>(1,477,535)</u>
<b>Changes in non-cash working capital</b>		
Accounts receivable	(136,752)	(42,627)
Inventory	(576,799)	253,053
Prepaid expenses and other assets	(101,018)	616
Accounts payable and accrued liabilities	(473,151)	(176,151)
	<u>(2,772,815)</u>	<u>(1,442,644)</u>
<b>Cash flows from investing activities</b>		
Short-term investments	1,775,000	-
Purchase of property and equipment	(15,457)	(29,391)
Development costs	(149,839)	-
Rental deposits	9,700	9,215
	<u>1,619,404</u>	<u>(20,176)</u>
<b>Cash flow from financing activities</b>		
Exercise of options	7,498	89,756
	<u>7,498</u>	<u>89,756</u>
Increase (decrease) in cash during period	(1,145,913)	(1,373,064)
Cash and cash equivalents at beginning of period	<u>7,686,100</u>	<u>6,221,257</u>
Cash and cash equivalents at end of period	<u>6,540,187</u>	<u>4,848,193</u>
<b>Consisting of:</b>		
Cash	388,462	230,829
Short term investments	6,151,725	4,617,364
	<u>6,540,187</u>	<u>4,848,193</u>