



FOR IMMEDIATE RELEASE

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

ZENN MOTOR COMPANY REPORTS SECOND QUARTER FISCAL 2008 RESULTS

Toronto, Ontario –May 30, 2008 – ZENN Motor Company Inc. (“ZMC” or the “Company”) (TSX-V ZNN) today announced the financial results for the three months and six months ended March 31, 2008. All amounts are expressed in Canadian dollars unless otherwise indicated.

Financial Results

For the current quarter and six months ended March 31, 2008, gross revenue was \$740,748 and \$1,641,172 respectively compared to \$130,762 and \$783,457 in the corresponding prior periods. The Company recorded a provision for rebates in the respective current three and six month periods totaling \$94,026 and \$299,594 relating to a marketing program initiated in September 2007. Unit sales grew in the current periods to 54 and 123 from 8 and 53 in the comparable prior periods.

Net loss for the three months and six months ended March 31, 2008 was \$1,837,940 and \$3,515,602 or (\$0.06) and (\$0.12) per share respectively compared with a loss of \$1,475,331 and \$2,749,094 or (\$0.06) and (\$0.12) per share respectively for the corresponding periods in the prior year.

At March 31, 2008 the Company had working capital of \$4,766,450 including cash and cash equivalents of \$3,601,087 compared to working capital of \$6,944,190 including cash and cash equivalents of \$6,221,257 as at September 30, 2007.

“The second quarter was an exciting time for the Company and the ZENN™ community”, said Ian Clifford, CEO of the Company. “We have increased our retailer presence to 35 locations and are particularly pleased with the results of our strong presence in the California market. In the first six months of the year, we have increased our unit sales, company-wide, by 130% over the prior year with California playing a significant role in this success. In addition during the quarter, Lockheed Martin announced its exclusive licensing arrangement with EESstor Inc. for homeland security applications, which was recognized as a strong endorsement for the progress in the EESstor energy storage technology.”

“Of particular importance”, stated Clifford, “is that the Company announced today that it has strengthened its balance sheet with over \$15 million in new share capital. The equity markets are quite volatile and our ability to raise this amount of capital is confirmation that the plans of the ZENN Motor Company are valid and viable in this dynamic Clean Tech investment space. The additional capital puts ZMC on a solid foundation and enables the Company to accelerate the development and commercialization of the new products and markets in its plans.”



Additional Information

Readers are encouraged to read the Company's unaudited consolidated financial statements for the three months and six months ended March 31, 2008, the corresponding Management's Discussion and Analysis, the Company's Annual Information Form dated January 21, 2008 and the Company's audited financial statements for the years ended September 30, 2008 and 2007, all of which are available at www.sedar.com or the Company's website at www.ZENNCars.com.

The Company's Annual and Special Meeting of shareholders was held on March 28, 2008. The meeting was broadcast live as a webcast and is available on-line through the Company's website at 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.

With Head Offices 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. Recently named "Commuter King of the Plug-ins" by Newsweek Magazine, the 2008 ZENN is ultra nimble quick from a stop and perfect for small parking spaces and San Franciscan slopes.

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 at highway speeds and extended distances like a traditional car at a fraction of the cost. Moreover, ZENN electric vehicles don't emit emissions or noise pollution and 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.

For additional information please contact:

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ZENN Motor Company Inc.
Consolidated Balance Sheets

	Mar. 31 2008 (unaudited) \$	Sep. 30 2007 (audited) \$
Assets		
Current		
Cash and cash equivalents	3,601,087	6,221,257
Accounts receivable	363,028	272,946
Inventory	1,656,081	1,442,862
Prepaid expenses and other assets	<u>669,094</u>	<u>642,061</u>
	6,289,290	8,579,126
Property, plant and equipment	318,068	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>11,066,638</u>	<u>13,400,668</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	<u>1,522,840</u>	<u>1,634,936</u>
Shareholders' Equity		
Capital stock	27,352,053	26,081,655
Contributed surplus	946,649	584,455
Warrant capital	236,984	575,908
Deficit	<u>(18,991,888)</u>	<u>(15,476,286)</u>
	9,543,798	11,765,732
	<u>11,066,638</u>	<u>13,400,668</u>

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

	<u>Three Months</u>		<u>Six Months</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Gross revenue	740,748	130,762	1,641,172	783,457
Provision for rebates	94,026	-	299,594	-
Net revenue	646,722	130,762	1,341,578	783,457
Cost of sales	606,024	122,767	1,267,701	762,471
Gross profit	40,698	7,995	73,877	20,986
Expenses				
Modification and engineering	176,651	151,965	333,692	267,690
General and administrative	1,157,589	998,195	2,281,238	1,811,713
Marketing and promotion	506,046	315,291	979,966	635,528
Foreign exchange loss (gain)	(15,773)	23,940	(28,210)	14,391
Amortization	32,550	21,603	66,873	39,113
Inventory write-down	59,366	6,483	59,366	45,684
	1,916,429	1,517,477	3,692,925	2,814,119
Loss from operations	(1,875,731)	(1,509,482)	(3,619,048)	(2,793,133)
Interest income	37,791	34,151	103,446	44,039
Net loss for the period	(1,837,940)	(1,475,331)	(3,515,602)	(2,749,094)
Deficit, beginning of period	(17,153,948)	(9,773,908)	(15,476,286)	(8,500,145)
Deficit, end of period	(18,991,888)	(11,249,239)	(18,991,888)	(11,249,239)
Loss per share, basic and diluted	(0.06)	(0.06)	(0.12)	(0.12)
Weighted average number of shares outstanding	29,073,636	24,761,165	29,941,436	23,732,346

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

	<u>Three Months</u>		<u>Six Months</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
	\$	\$	\$	\$
Cash flows from (to) operating activities				
Net loss for period	(1,837,940)	(1,475,331)	(3,515,602)	(2,749,094)
Add items not affecting cash flow				
Amortization	32,550	21,603	66,873	39,113
Stock based compensation	196,390	93,321	362,195	171,037
	<u>(1,609,000)</u>	<u>(1,360,407)</u>	<u>(3,086,534)</u>	<u>(2,538,944)</u>
Changes in non-cash working capital				
Accounts receivable	(47,455)	335,377	(90,082)	(196,418)
Inventory	(466,272)	(771,781)	(213,219)	(1,541,483)
Prepaid expenses and other assets	(27,649)	(71,266)	(27,033)	40,579
Accounts payable and accrued liabilities	64,059	(665,534)	(112,094)	(230,443)
	<u>(2,086,317)</u>	<u>(2,533,611)</u>	<u>(3,528,962)</u>	<u>(4,466,709)</u>
Cash flow from (to) investing activities				
Purchase property, plant and equipment	(2,507)	(36,199)	(31,897)	(141,391)
Rental deposits	-	9,215	9,215	(28,615)
Technology rights	-	(643,170)	-	(643,170)
	<u>(2,507)</u>	<u>(670,154)</u>	<u>(22,682)</u>	<u>(813,176)</u>
Cash flow from (to) financing activities				
Issue of shares, net of costs	-	9,053,112	-	9,053,112
Exercise of warrants	841,718	102,859	931,474	279,059
	<u>841,718</u>	<u>9,155,971</u>	<u>931,474</u>	<u>9,332,171</u>
Increase (decrease) in cash during period	(1,247,106)	5,952,206	(2,620,170)	4,052,286
Cash and cash equivalents at beginning of period	4,848,193	317,042	6,221,257	2,216,962
Cash and cash equivalents at end of period	3,601,087	6,269,248	3,601,087	6,269,248