

## NEWS RELEASE

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

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### ZENN MOTOR COMPANY CONFIRMS EESTOR'S THIRD-PARTY CERTIFIED PERMITTIVITY RESULTS AND ANNOUNCES INTENTION TO EXERCISE ADDITIONAL EESTOR INVESTMENT OPTION

**TORONTO, ON – May 21, 2009** -- **ZENN Motor Company Inc. (“ZMC” or “the Company”)**, a leading developer of zero emission transportation solutions and technologies, is pleased to announce that it has completed its due diligence on EESor, Inc.'s (“**EESor**”) stated permittivity results of the manufacturing-grade chemicals to be used in EESor's Electrical Energy Storage Units (EESU). The permittivity results were publicly announced by EESor in a press release dated April 22, 2009 which they subsequently updated in a press release on April 29, 2009.

The verification process followed by ZMC was compliant with its Technology Agreement with EESor. The Company contracted with Professional Testing (EMI), Inc. (PTI) located in Round Rock, Texas to verify calibration and suitability of the test equipment to accurately measure capacitance over a defined temperature range in order to determine permittivity. This verification procedure was performed by PTI before and after Dr. Golla performed the retesting on ZMC's behalf. PTI is a test laboratory with over 20 years operating experience and has ISO 17025 accreditation from the National Voluntary Laboratory Accreditation Program. The permittivity re-testing was conducted on hot-pressed dielectric layers provided by EESor and certified by them to have been made of materials produced on their production line. Dr. Edward D. Golla, a PhD in Analytical Chemistry, was independently contracted by ZMC and re-performed the testing of the dielectric layers. Dr. Golla is the Laboratory Director of Texas Research International, Austin, Texas. Dr. Golla's relevant experience includes the application of instrumental techniques to analytical problems and he has also taught Chemistry and Instrumental Analysis at schools such as St. Edwards University and Southwestern University of Georgetown, Texas. ZMC received full cooperation from the management of EESor in completing the verification process.

Texas-based EESor disclosed that it had over-achieved on the key Technology Agreement milestone of permittivity levels for its Composition Modified Barium Titanate powders (CMBT), the main material in their ultracapacitor energy storage technology. The tests undertaken by the Company as outlined above confirmed the attainment of a relative permittivity of at least 22,500 over an operating temperature range of -20 to +65 degrees centigrade.

As a result of the verification of this significant milestone, ZMC will pay EESor, Inc. the next milestone payment of US \$700,000.00 in accordance with the Technology Agreement between the two companies.

“The permittivity results exceed the specifications outlined in our Technology Agreement by over 21 percent,” stated Michael Bergeron, VP of Engineering at ZMC. “Our engineering team has been working hard in preparation for the integration of EESor's technology into our planned range of Electric Vehicle offerings including the cityZENN™ and ZENNergy™ drivetrains and the permittivity results provide a great incentive for us to further increase our investment in this regard.”

The Company considers the high relative permittivity achieved by EESor on its CMBT material, when viewed in conjunction with and in large part as a result of EESor's previously communicated accomplishments, to be an important step towards EESor's planned commercialization of EESUs that meet or exceed the specifications outlined in the Technology Agreement between the two companies.

Energy storage is directly proportional to permittivity, so by having attained a permittivity level that is at least 21 percent higher than the target stated within the Technology Agreement, even higher energy density is possible at the same working voltage over the temperature range of -20 to +65 degrees centigrade. Furthermore, EESstor's past press releases have indicated:

- a) their attainment of a very narrow particle size distribution in the range of 1 micron (an important determinant of permittivity);
- b) extreme purification levels of the constituent chemicals, including aluminum oxide in the parts-per-trillion level (a key factor in the target working voltage without voltage breakdown); and
- c) their ability to tune the constituents of the CMBT powders so as to allow them to operate deep within the paraelectric phase, which assists EESstor in meeting the high working voltages outlined in the Company's EESU specification.

"The permittivity results are a very significant event for ZMC," said Ian Clifford, Chief Executive Officer of ZENN Motor Company. "We look forward to the achievement of the final milestone under our agreement, the delivery of a full production quality EESU in accordance with our specifications."

The EESstor EESU is expected to outperform every chemical battery on the market in terms of energy density, charge time, cost, and overall performance. According to EESstor, their energy storage technology is expected to provide the following key characteristics once commercialized:

- A fraction of the weight and volume of the most advanced chemical battery technology for the equivalent amount of energy storage
- The EESU will not contain any hazardous materials
- The EESU's storage capacity will NOT be reduced by extremes in temperature
- Being a solid-state ceramic device, the EESU's storage capacity and life expectancy will NOT be reduced with extensive charge-recharge cycles
- The EESU is capable of recharging at electronic speeds
- The EESU will be comprised of constituent powders that are fully recyclable
- The EESU will not suffer from self-discharge and can be stored for months in a fully charged state with minimal loss of energy
- The EESU will be priced attractively relative to advanced chemical batteries and will allow for viable and affordable electric vehicles

Through a wholly-owned subsidiary, the Company made a US \$2.5 million equity investment in EESstor on April 30, 2007, for an approximate 3.8% ownership position of EESstor. Under the terms of the initial share purchase agreement, ZMC has an additional investment option of up to US \$5 million at the same valuation upon EESstor's successful completion of this permittivity milestone. The investment is subject to reduction based on participation by other EESstor shareholders.

"We now plan to increase our shareholder position in EESstor to the fullest extent possible," stated Ian Clifford. "In addition to our exclusive automotive applications, our equity position in EESstor gives our shareholders a stake in the many potential mass applications EESstor can pursue, such as powering portable consumer electronics, improving the performance of renewable energy sources such as wind and solar generation, and increasing the efficiency and stability of power grids around the world." Should the other EESstor shareholders exercise their maximum investment, the Company's additional investment would be limited to US\$2,000,000. The Company's total minimum and maximum equity interest in EESstor following the investment would be in the range of approximately 6.2% to 10.5%. Details of the additional equity investment will be provided by the Company when determined.

*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.*

## ABOUT ZENN MOTOR COMPANY

[www.ZENNCars.com](http://www.ZENNCars.com)

ZENN Motor Company, Toronto, Canada, is dedicated to being the global leader in zero emission transportation solutions and technologies 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 EESstor, Inc., is expected to enable future ZENN vehicles and ZENNergy 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. Under its Technology Agreement with EESstor, ZMC holds the worldwide exclusive rights to incorporate EESstor's energy storage technology for new passenger vehicles up to 1,400 kilograms curb weight; golf cart and utility vehicles and the conversion of any class of used internal combustion 4-wheel vehicles to electric.

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### **Forward-looking Information**

*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, to which the Company has certain rights, is still under development and may not be successfully commercialized at all, in a manner providing the features and benefits claimed by EESstor 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 a viable ZENNergy Drivetrain or cityZENN solution 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, including claims made by EESU regarding the expected benefits of its EESU, 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](http://www.sedar.com).*