

■ NEWS RELEASE

FEEL GOOD CARS CORPORATION

Thursday, August 31, 2006

Toronto, Ontario

(TSXV:ZNN)

FEEL GOOD CARS COMPLETES CDN \$1.7 MILLION PRIVATE PLACEMENT

TORONTO, CANADA, AUGUST 31, 2006 - Feel Good Cars Corporation (TSXV-ZNN) ("FGC" or the "Company") has completed its previously announced non-brokered private placement financing. FGC has issued and sold 1,259,261 million units at a price of CDN \$1.35 per unit raising gross proceeds of CDN \$1.7 million. Each unit consisted of one common share and one-half of one common share purchase warrant, with each whole warrant entitling the holder to acquire one common share at a price of CDN \$1.55 until February 29, 2008. Of the units sold, 254,200 or 20 percent were purchased by directors and senior officers of FGC. All securities issued pursuant to the private placement are subject to a four-month hold period.

Closing of the placement will allow the Company to accelerate the volume of vehicle production as well as augment the Company's working capital.

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.

ABOUT FEEL GOOD CARS (FGC)

www.feelgoodcars.com

Headquartered in Toronto, Canada, Feel Good Cars is dedicated to producing zero-emission transportation solutions for global markets, including the revolutionary ZENN, a perfect new urban vehicle. The ZENN recently won the gold medal for urban vehicles in the coveted Michelin Challenge.

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