

**FOR IMMEDIATE RELEASE**

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

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

**Toronto, Ontario – August 14, 2009** – ZENN Motor Company Inc. (“ZMC” or the “Company”) (TSX-V ZNN) a leading developer of zero emission transportation solutions and technologies, today announced its financial results for the three and nine months ended June 30, 2009. All amounts are expressed in Canadian dollars unless otherwise indicated.

For the three and nine months ended June 30, 2009 gross revenues were \$379,916 and \$1,316,535, respectively compared with gross revenues of \$977,305 and \$2,618,477, respectively, for the corresponding periods of 2008.

Net losses for the three and nine month periods were \$2,576,021 or \$(0.08) per share and \$6,335,409 or \$(0.19) per share compared with net losses of \$1,910,304 or \$(0.06) per share and \$5,425,895 or \$(0.18) per share for the corresponding periods in the prior year.

At June 30, 2009 the Company had working capital of \$9,531,326 including cash, cash equivalents and short-term investments totaling \$ 8,752,818 compared to \$15,068,689 and \$14,686,100, respectively, at September 30, 2008. On July 14, 2009 the Company completed a short form prospectus offering of common shares raising gross proceeds of \$9.275 million.

Ian Clifford CEO of the Company said, “On July 2, 2009, the Company made an additional investment of US\$5,000,00 in the common shares of EESor, which gives ZMC an approximate 10.7% equity interest. This investment gives our shareholders a stake in the many potential mass applications of EESor’s technology including 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. The investment transaction was followed by a public offering of common shares that replenished our treasury and extended the reach of our story to investors in Canada, the United States and Europe.”

The Company’s strong balance sheet allows for its continued progress in a number of key areas such as the development of ZENNergy™ drivetrain solutions and expanded business development activities. These are an integral part of the Company’s strategy in taking the EESor technology to market and capitalizing on its Technology Agreement with EESor when the EESU is production ready.”

### **Additional Information**

Readers are encouraged to read the Company's unaudited consolidated financial statements for the three and nine months ended June 30, 2009 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).

*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.*

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### **About ZENN Motor Company Inc.**

ZENN Motor Company, Toronto, Canada, is dedicated to being a 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 ZMC 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!

### **Forward-looking Statement**

*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 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 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).*

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

	Jun. 30 2009 (Unaudited) \$	Sep. 30 2008 (Audited) \$
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	8,652,818	7,686,100
Short-term investments	100,000	7,000,000
Accounts receivable	83,697	80,069
Inventory	1,870,523	1,958,233
Prepaid expenses and sundry assets	<u>320,595</u>	<u>599,309</u>
	11,027,633	17,323,711
Property and equipment	265,091	362,413
Development costs	639,300	389,207
Rental deposits	96,988	98,552
EEStor Technology Rights	2,303,275	1,510,145
Investment in EEStor, Inc.	<u>2,857,815</u>	<u>2,857,815</u>
	<u>17,190,102</u>	<u>22,541,843</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	1,496,307	2,078,969
Contingent loss on purchase commitments	<u>-</u>	<u>176,053</u>
	<u>1,496,307</u>	<u>2,255,022</u>
<b>Shareholders' Equity</b>		
Capital stock	43,402,179	41,863,409
Contributed surplus	1,697,669	1,322,066
Warrant capital	144,265	316,255
Deficit	<u>(29,550,318)</u>	<u>(23,214,909)</u>
	<u>15,693,795</u>	<u>20,286,821</u>
	<u>17,190,102</u>	<u>22,541,843</u>

## ZENN Motor Company Inc.

Consolidated Statements of Operations and Deficit  
For the three and nine months ended June 30  
(unaudited)

	Three Months		Nine Months	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
	\$	\$	\$	\$
Gross revenue	379,916	977,305	1,316,535	2,618,477
Provision for rebates	<u>79,649</u>	<u>14,980</u>	<u>246,071</u>	<u>314,574</u>
Net revenue	300,267	962,325	1,070,464	2,303,903
Cost of sales	<u>295,427</u>	<u>933,104</u>	<u>1,175,882</u>	<u>2,200,804</u>
Gross profit (loss)	4,840	29,221	(105,418)	103,099
Expenses				
Marketing and promotion	455,589	645,307	1,269,305	1,625,274
Engineering and development	467,942	155,202	953,552	488,894
General and administrative	1,255,062	1,145,950	3,678,917	3,427,189
Inventory write-down	390,972	-	390,972	59,367
Foreign exchange loss (gain)	6,759	12,279	10,955	(15,943)
Amortization	<u>44,383</u>	<u>39,331</u>	<u>133,430</u>	<u>106,204</u>
	<u>2,620,707</u>	<u>1,998,069</u>	<u>6,437,131</u>	<u>5,690,985</u>
Loss from operations	(2,615,867)	(1,968,848)	(6,542,549)	(5,587,886)
Interest income	<u>39,846</u>	<u>58,544</u>	<u>207,141</u>	<u>161,991</u>
Net loss for the period	(2,576,021)	(1,910,304)	(6,335,408)	(5,425,895)
Deficit, beginning of period	<u>(26,974,297)</u>	<u>(18,991,877)</u>	<u>(23,214,909)</u>	<u>(15,476,286)</u>
Deficit, end of period	<u>(29,550,318)</u>	<u>(20,902,181)</u>	<u>(29,550,317)</u>	<u>(20,902,181)</u>
Loss per share, basic and diluted	(0.08)	(0.06)	(0.19)	(0.18)
Weighted average number of shares outstanding	34,322,611	30,763,614	34,002,932	29,546,615

**ZENN Motor Company Inc.**  
Consolidated Statements of Cash Flows  
For the three and nine months ended June 30  
(unaudited)

	Three Months		Nine Months	
	2009	2008	2009	2008
	\$	\$	\$	\$
<b>Cash flows from (to) operating activities</b>				
Net loss for period	(2,576,021)	(1,910,304)	(6,335,409)	(5,425,895)
Add items not affecting cash flow				
Amortization	44,383	39,331	133,430	106,204
Stock based compensation	255,654	211,748	776,284	573,943
	(2,275,984)	(1,659,225)	(5,425,695)	(4,745,748)
<b>Changes in non-cash working capital</b>				
Accounts receivable	143,554	67,722	(3,627)	(22,362)
Inventory	548,615	(229,796)	87,710	(443,015)
Prepaid expenses and other assets	294,432	325,659	278,716	345,200
Accounts payable and accrued liabilities	(196,107)	169,665	(758,718)	57,569
	(1,485,490)	(1,325,975)	(5,821,612)	(4,808,356)
<b>Cash flow from (to) investing activities</b>				
Short-term investments	4,700,000	(10,000,450)	6,900,000	(10,000,450)
Development costs	-	(123,336)	(250,093)	(169,915)
Purchase of property, plant and equipment	(16,589)	(53,565)	(42,199)	(85,464)
Sale of property, plant and equipment	-	-	6,090	-
EEStor technology Rights	(793,130)	-	(793,130)	-
Rental deposits	-	(3,658)	1,563	5,557
	3,890,281	(10,181,009)	5,822,231	(10,250,272)
<b>Issue of shares, net of costs</b>				
Issue of shares, net of costs	-	14,086,598	-	14,086,598
Exercise of options and warrants	243,600	-	966,098	931,474
	243,600	14,086,598	966,098	15,018,072
<b>Increase (decrease) in cash during period</b>				
Increase (decrease) in cash during period	2,648,391	2,579,614	966,718	(40,556)
Cash and cash equivalents at beginning of period	6,004,427	3,601,087	7,686,100	6,221,257
Cash and cash equivalents at end of period	8,652,818	6,180,701	8,652,818	6,180,701
<b>Consists of:</b>				
Cash	7,153,163	6,180,701	7,153,163	6,180,701
Cash equivalents	1,499,655	-	1,499,655	-
	8,652,818	6,180,701	8,652,818	6,180,701