

FOR IMMEDIATE RELEASE

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

ZENN MOTOR COMPANY UPDATES ON REALIGNMENT OF ITS BUSINESS OPERATIONS

Toronto, Ontario –December 7, 2009 – ZENN Motor Company Inc. (“ZMC” or the “Company”) (TSX-V ZNN), a leading developer of zero emission transportation solutions and technologies, wishes to update its stakeholders regarding its ZENNergy™ drive solutions development and low-speed vehicle (LSV) operations .

As communicated in the Company’s September 24, 2009 press release, the primary focus for ZMC moving forward is the commercialization of its ZENNergy™ drive solutions, powered by EESor Inc.’s Electrical Energy Storage Units (EESUs) and integrating third-party and proprietary technologies being developed by the Company. This focus, which has long been integral to the Company’s plans, reflects the dramatic shifts that have occurred within the automotive industry and the broad-based interest in electric vehicle (EV) solutions. Central to this interest in EVs are solutions that provide smaller, lighter, longer-lasting and less expensive energy storage. ZENNergy™ drive represents such a solution.

With its ZENNergy™ solutions, the Company intends to become a key supplier and partner with industry-leading Original Equipment Manufacturers (OEM) and Tier 1 companies in the new, used and specialty vehicle markets. Management believes that this approach represents both the quickest and broadest market penetration opportunity by leveraging the substantial manufacturing, distribution and service operations of the established OEMs and other Tier 1 companies.

The ZENN, the Company’s low-speed vehicle offering launched in 2006, established the Company as an innovator in the electric vehicle industry. As an early participant in the now-burgeoning EV space, the Company successfully developed its EV-related engineering expertise, created strong brand awareness and gained valuable practical experience in the design, production and support of electric vehicles. With the increased emphasis being placed on ZENNergy™ drive solutions, the Company affirmed today that the 2010 model will be the final ZENN LSV model produced and that it will cease production of the ZENN LSV by April 30th, 2010.

“The ZENN LSV remains a great mobility solution with a passionate following” states Ian Clifford, Chief Executive Officer of ZENN Motor Company. “We remain committed to ensuring that ZENN LSV customers are supported and that we meet our obligations as a manufacturer. The Company, together with its Retailers and service centers, plans to fully support the ZENN’s service requirements in the coming years as do ZMC’s parts suppliers.”

“With the valuable experience we’ve gained and the tangible progress EESor has made over the past year, we are now confidently turning the page in the evolution of ZENN Motor Company from a manufacturer of LSVs into a Tier 1 supplier to automotive and specialty vehicle companies, including

other LSV OEMs, all of whom are in great need of a solution such as that represented by ZENNergy™ drive,” stated Clifford. “Recognizing the significant emphasis government, industry and consumers are placing on the electrification of transportation, we believe that our ZENNergy™ strategy is extremely well-positioned.”

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.

ZENNergy™ drive solutions, powered by EESor’s electrical energy storage technology are expected to enable OEM and Tier 1 partners to deliver advanced electric transportation solutions to their customers. The Company has a Technology Agreement that provides certain exclusive and non-exclusive rights to purchase and deploy EESor’s EESU technology as follows (all of which apply to 4-wheeled vehicles using electricity as energy for the vehicle’s propulsion system):

- Exclusive rights for new passenger vehicles with a curb weight of up to 1,400 kilograms, net of battery weight (this does not include vehicles that are classified as Sport Utility Vehicles, Pickups, Trucks, Trams, Buses and certain high-performance sports cars with electric drive systems of 100 continuous kilowatts or higher);
- Exclusive rights for neighbourhood electric vehicles (NEV) and golf carts operating at a maximum speed of thirty (30) miles per hour and;
- Exclusive rights for utility vehicles having a maximum propulsion system of 15 continuous kilowatts or a curb weight of up to 1400 kilograms, net of battery weight (this does not include vehicles that are classified as Sport Utility Vehicles, Pickups, Trucks, Trams, Buses and certain high-performance sports cars with electric drive systems of 100 continuous kilowatts or higher);
- Exclusive rights for the aftermarket conversion to ZENNergy™ drive of any 4-wheeled vehicles currently using internal combustion, electricity or a combination thereof for the vehicle’s propulsion system, and which have been previously licensed for road use for greater than twelve (12) months.
- Non-exclusive rights to purchase and deploy EESor’s EESU in new passenger vehicles with a curb weight over 1,400 kilograms, net of battery weight (this does not include vehicles that are classified as Sport Utility Vehicles, Pickups, Trucks, Trams, and Buses).

The rights that ZMC holds expire when the last applicable EESor patent expires.

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 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; 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; 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; . 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. Information contained in this release relating to EESstor, Inc. or the energy storage technology being developed by EESstor has not been reviewed by EESstor and EESstor does not assume any responsibility for the accuracy or completeness of such information.

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