

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

ZENN MOTOR COMPANY REPORTS FISCAL 2010 RESULTS

Toronto, Ontario – January 24, 2011 – ZENN Motor Company Inc. (“ZMC” or the “Company”) (TSX-V ZNN) today announced its audited financial results for the three months and year ended September 30, 2010. All amounts are expressed in Canadian dollars.

Financial Results

As previously announced, the Company discontinued its low-speed vehicle (LSV) business effective April 30, 2010 and the results for the three months and year ended September 30, 2010 exclude these discontinued operations.

For the three months and year ended September 30, 2010, net losses from continuing operations were \$980,423 or \$0.03 per share and \$4,141,528 or \$0.11 per share, respectively. For the corresponding periods in the prior year, net losses from continuing operations were \$1,595,709 or \$0.04 per share and \$4,687,097 or \$0.13 per share, respectively.

The 38% decrease in the loss from continuing operations in the last quarter of the year, as compared to the same quarter of the prior year, is indicative of the Company’s focus on cost management while at the same time continuing to progress its engineering and business development activities related to ZENNErgy™ technologies and solutions.

Management’s cost reduction initiatives have continued into the first quarter of the Company’s 2011 fiscal year, with the monthly cash spend in that quarter running at approximately 50% of the average monthly cash spend during fiscal 2010. The Company intends to continue its focus on prudent spending that reflects both its cash position and strategic business objectives.

At September 30, 2010 the Company had working capital of \$4,580,376 including cash, cash equivalents and short-term investments totaling \$5,074,652, compared to working capital of \$9,655,369 and cash of \$10,143,540, respectively, at September 30, 2009.

Company Update

The Company continues to develop its knowledge in deployment and control of high-density power storage for automotive applications. During the past fiscal year, and for the period since then, the Company’s primary development activities have been focused on the following three areas:

- creating and then protecting the intellectual property associated with its planned ZENNErgy technology and solutions;
- identifying and pursuing rights or relationships for additional complementary technologies that could further enhance the capabilities of the ZENNErgy technologies and solutions as well as other potential applications; and
- developing the "go-to-market" plans for these solutions.

Progress updates on all of these initiatives will be communicated to the Company’s stakeholders as they mature and when such disclosure will not impair the value of our intellectual property, breach any applicable non-disclosure agreements or otherwise negatively impact our competitive advantage.

Additional Information

Readers are encouraged to read the Company's audited consolidated financial statements for the year ended September 30, 2010, the corresponding Management's Discussion and Analysis and the Company's Annual Information Form dated January 20, 2011. All of these documents have been filed and are available for viewing on SEDAR at www.sedar.com and posted on the Company's website at 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 enabling emission-free, energy-efficient transportation through unique, yet widely applicable, technology offerings. Driven by quality, ingenuity and a philosophy of social responsibility, the ZMC team is redefining what is possible in the pursuit of zero emission transportation.

ZENNergy technologies and solutions, to be powered by EESor's electrical energy storage units (EESU) are expected to enable OEM and Tier 1 partners to deliver advanced electric transportation solutions to their customers. The Company has a Technology Agreement with EESor that provides certain exclusive and non-exclusive rights to purchase and deploy EESor's EESU technology, which rights are detailed in the Company's AIF.

Forward-looking Statements

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 EESor energy storage technology may not be successfully commercialized at all, in a manner providing the features and benefits expected 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 viable ZENNergy technologies and solutions 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.

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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