

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

## ZENN MOTOR COMPANY REPORTS THIRD QUARTER 2010 RESULTS

**Toronto, Ontario – August 23, 2010** – ZENN Motor Company Inc. (“ZMC” or the “Company”) (TSX-V ZNN) today announced its financial results for the three and nine months ended June 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 and nine months ended June 30, 2010 exclude these discontinued operations.

For the three and nine months ended June 30, 2010, net losses from continuing operations were \$1,085,634 or \$0.03 per share and \$3,236,164 or \$0.09 per share, respectively, compared with net losses from continuing operations of \$1,275,925 or \$0.04 per share and \$3,260,199 or \$0.10 per share for the corresponding periods in the prior year.

At June 30, 2010 the Company had working capital related to continuing operations of \$5,907,234 including cash, cash equivalents and short-term investments totaling \$6,181,225 compared to \$9,824,355 and \$10,143,540, respectively, at September 30, 2009.

### **Company Update**

The Company continues to leverage the broad Electric Vehicle (EV) technical expertise it has built up over the years. During the quarter, the Company’s investment in key engineering initiatives included the following:

- Developing high-voltage drivetrain solutions that can best take advantage of the unique capabilities represented by anticipated high-voltage energy sources such as EESstor Inc.’s technology;
- Developing the requirements for power electronics and power management systems that will optimize these planned high-voltage drivetrain applications;
- Developing control strategies for total system integration; and
- Developing related heating, cooling and packaging solutions.

As part of these initiatives, the Company is pursuing a number of related patents that share the following attributes:

- They will enhance the Company’s ZENNergy™ solutions;
- They will be applicable to both EESstor and non-EESstor energy storage systems; and,
- They are expected to create incremental revenue opportunities.

The Company is also actively engaged in opportunities to establish relationships with, or invest in, third-party companies that can provide complementary technologies that will enhance the Company’s overall solutions offering.

“We continue to move forward with investments in engineering and business development initiatives that we believe will deliver the greatest long-term shareholder value,” stated Ian Clifford, CEO of ZMC. “The significant and

growing level of activity and investment within the Electric Vehicle industry is extremely encouraging and we believe augurs well for the market potential of ZMC's solutions once they are brought to market."

### **Additional Information**

Readers are encouraged to read the Company's unaudited consolidated financial statements for the three months ended June 30, 2010 and the corresponding Management's Discussion and Analysis. Additional information is available in the Company's Annual Information Form (AIF) dated January 28, 2010. All of these documents have been filed and are available for viewing 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 enabling zero emission transportation solutions for markets around the world. Driven by quality, ingenuity and a philosophy of social responsibility, the ZMC team is working to redefine what is possible in the electrification of transportation.

ZENNergy technologies and solutions, to be powered by EESstor'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 EESstor that provides certain exclusive and non-exclusive rights to purchase and deploy EESstor'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 EESstor 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](http://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.*

**For additional information please contact:**

Catherine Scrimgeour  
Manager, Public Affairs  
ZENN Motor Company  
Tel. 416-535-8395 ext. 201  
[cscrimgeour@ZENNcars.com](mailto:cscrimgeour@ZENNcars.com)

Ian Clifford  
Chief Executive Officer  
ZENN Motor Company Inc.  
Tel. 416-535-8395 ext. 202  
[ian.clifford@ZENNcars.com](mailto:ian.clifford@ZENNcars.com)