

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

ZENN MOTOR COMPANY EXPANDS EESTOR TECHNOLOGY RIGHTS

Toronto, Ontario – May 15, 2012 – ZENN Motor Company Inc. (TSXV: ZNN) ("ZENN" or the "Company") announced today that it has entered into a new technology agreement (the "New Technology Agreement") with EESor, Inc. ("EESor") which increases and improves the Company's exclusive rights to purchase electrical energy storage units ("EESUs") under development by EESor.

James Kofman, Chairman and Interim Chief Executive Officer of ZENN commented, "The New Technology Agreement significantly expands ZENN's rights and improves upon the terms of the old agreement. Importantly ZENN now has exclusivity over an enormous potential market in automobiles and other vehicles and we are no longer limited by weight or category. The rights of ZENN are clearly defined and some of the uncertainties in the old agreement have been removed. The Company is now ideally positioned if EESor is successful in developing its EESUs. We are mindful that EESor has not yet achieved its targeted performance metrics for its EESUs, but feel the modest up front investment under the New Technology Agreement puts ZENN in a much stronger position to capitalize on the technology."

Under the New Technology Agreement, among other rights, ZENN has received the exclusive, worldwide right to purchase EESUs from EESor for any vehicle, new or used, that uses electrical energy (excluding only one, two and three wheeled vehicles and those produced exclusively for the U.S. military or government) (a "Vehicle"). Under the old technology agreement ZENN had exclusive rights to vehicles with a curb weight up to 1,400 kilograms, net of the battery weight, but exclusions included pick-ups, trucks, SUVs, trams, buses and high performance sports cars. Under the New Technology Agreement there are no exclusions other than those described above.

In consideration for the new expanded technology rights awarded, ZENN is required to pay to EESor US\$500,000 within two business days of signing the New Technology Agreement. In addition the agreement provides for five staged payments tied to specific technical milestones aggregating US\$1.2 million. Each milestone must be independently verified and meet specific performance metrics including those relating to energy storage. Once EESor begins delivery of production quality EESUs ZENN is to pay US\$3.8 million to EESor and a further US\$5 million on each anniversary of such payment for five years. Total payments under the New Technology Agreement are US\$30.5 million (including the US\$500,000 that was payable under the old agreement).

Importantly all payments after the initial payment are entirely at the discretion of ZENN. In the event that ZENN elects not to make any of the payments when due, its exclusive rights would revert to Vehicles with a curb weight of 1,400 kilograms or less, net of battery weight and its rights would be non-exclusive with respect to all other Vehicles. This would be an improvement over the rights under the old technology agreement.

The above is a summary only of the New Technology Agreement and is qualified in its entirety by the specific legal terms contained in that agreement.

As required under the New Technology Agreement, EESor has issued a press release today providing an update on the current state of development of its EESU, the advancements it has made to date in developing its EESU and the challenges that still remain in the commercialization of its EESU. This is not the public disclosure of EESor's technological development required in connection with the Company's recent equity investment in EESor announced on March 26, 2012, which is required to be certified by an independent third party and has not yet been released, but a public update that was a condition of ZENN agreeing to enter into the New Technology Agreement. ZENN still expects EESor to provide the disclosure contemplated in connection with the equity investment.

About ZENN Motor Company Inc.

The Company's goal is to be the provider of leading edge power storage solutions and related technologies to the automotive industry. Technologies and solutions, powered by EESor's electrical energy storage units (EESU) have the potential to enable OEM and Tier 1 partners to deliver advanced electric transportation solutions to their customers.

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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