ZENN MOTOR COMPANY INC.

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

   ZENN Motor Company Inc.
   85 Scarsdale Road, Suite 100
   Toronto, Ontario M3B 2R2

2. Date(s) of Material Change(s)

   July 2, 2009

3. News Release

   Press release attached as Schedule A hereto was released through the facilities of the Marketwire disclosure network on July 2, 2009.

4. Summary of Material Change

   On July 2, 2009, ZENN Motor Company Inc. announced that it had completed the purchase of US$5 million of additional equity of EEStor, Inc. pursuant to the exercise of an additional investment option.

5. Full Description of the Material Changes

   See press release attached as Schedule A hereto.

6. Reliance on Confidentiality Provisions of Subsection 7.1(2) or (3) of National Instrument 51-102

   Not applicable.

7. Omitted Information

   Not applicable.

8. Executive Officers

The following executive officer of ZENN Motor Company Inc. may be contacted for additional information:

Lawrence Schreiner
Chief Financial Officer
ZENN Motor Company Inc.
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Toronto, Ontario M3B 2R2

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9. Date of Report

July 3, 2009

SCHEDULE "A"

NEWS RELEASE

ZENN MOTOR COMPANY INC.
TORONTO, ONTARIO, CANADA
(TSXV:ZNN)

Thursday, July 02, 2009

ZENN MOTOR COMPANY COMPLETES ADDITIONAL EQUITY INVESTMENT IN EESTOR, INC.

TORONTO, ON – July 2, 2009 – ZENN Motor Company Inc. ("ZMC" or "the Company") announced today that it has increased its equity investment in energy storage developer, EEStor, Inc. with an additional US $5.0 million investment. The investment represents the exercise of the maximum additional investment option available to the Company which was to acquire 117,757 shares at the same price-per-share as the original equity investment granted to ZMC pursuant to the share purchase agreement between ZMC and EEStor dated April 30, 2007. The Company's intention to exercise this additional investment option was previously announced on May 21, 2009.

The additional equity investment option was triggered by EEStor's successful completion of permittivity testing on their Composition Modified Barium-Titanate powders, a key milestone under the Technology Agreement between ZMC and EEStor as outlined in the Company's press release of May 21, 2009.

The Company now owns approximately 10.7% of the equity of EEStor, Inc., an increase from the 3.8% previously held. The investment was made through the Company's wholly owned subsidiary ZENN Capital Inc.

The Company's ability to maximize its investment in EEStor is a result of certain EEStor shareholders not exercising their follow-on investment rights. These investors had also elected not to participate at the time of the Company's initial EEStor investment in April 2007. This investment represents a way for ZMC's shareholders to participate in the additional market applications that EEStor may develop for its technology, in addition to the Company's automotive applications.

Under its Technology Agreement with EEStor, ZMC holds the worldwide exclusive rights to incorporate EEStor's energy storage technology for new passenger vehicles up to 1,400 kilograms curb weight (net of batteries); golf carts, Low Speed Vehicles and certain utility vehicles; and the conversion of any class of used internal combustion 4-wheel vehicles to electric.

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ABOUT ZENN MOTOR COMPANY
www.ZENNcars.com

ZENN Motor Company, Toronto, Canada, is dedicated to being the 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 EEStor, Inc., is expected to enable future ZENN 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.

For additional information please contact:

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Forward-looking Information

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 EEStor energy storage technology, to which the Company has certain rights, is still under development and may not be successfully commercialized at all, in a manner providing the features and benefits claimed by EEStor 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 There can be no assurance that any statements of forward-looking information contained in this release, including claims made by EEStor regarding the expected benefits of its EESU, 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*.*