



ZBB Energy Corporation Receives \$14.685 Million Clean Energy Tax Credit

MILWAUKEE, WI – January 11, 2010 – ZBB Energy Corporation (NYSE AMEX: ZBB) received announcement Friday, January 8, 2010 that the Internal Revenue Service (IRS) has approved ZBB's application for a \$14,685,000 Advanced Energy Manufacturing tax credit under section 48C of the Internal Revenue Code, and as authorized under the American Reinvestment and Recovery Act. The tax credit will enable ZBB to install \$49.55 million worth of equipment in a facility ZBB has proposed to construct in Southeastern Wisconsin. When ZBB proceeds with this project, it will manufacture its ZESS and PECC energy storage products that store energy from renewable power sources at the facility.

The tax credit can be utilized by ZBB or by a successor in interest to ZBB that enters into an agreement with the IRS, including a business that constructs the proposed facility and manufactures the qualifying advanced energy storage systems. Following installation of the qualifying equipment, which must occur within approximately four years of Friday's announcement, ZBB or the entity holding the tax credit benefit may carry the tax credit forward for twenty years to offset otherwise taxable revenue.

ZBB designs and builds modular, integrated power storage systems at its Menomonee Falls, Wisconsin facility for use in commercial, industrial, utility and off-grid applications, including supporting the transmission of intermittent sources of renewable energy. ZBB's ZESS and PECC Power Storage Products improve the efficiency of intermittent renewable energy systems by uniquely combining generation with storage and demand side management (smart-grid) and off-peak recharge for cost-effective energy management.

About ZBB Energy Corporation

ZBB Energy Corporation (NYSE AMEX: [ZBB](#)) provides clean energy storage solutions based on proprietary zinc rechargeable energy storage technology that addresses requirements in multiple markets such as alternative energy applications, large electrical utilities and green residential and commercial architecture. A developer and manufacturer of its modular, transportable and environmentally friendly Zinc Energy Storage Systems ("ZESS"), ZBB Energy was founded in 1998 and is headquartered in Wisconsin with offices also located in Perth, Western Australia.

Safe Harbor

Except for the historical information contained herein, the matters set forth in this press release, including the description of the company and its product offering, are forward-looking statements within the "safe harbor" provision of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risk and uncertainties that may cause actual results to differ materially, including historical volatility and low trading volume of our stock, the risk and uncertainties inherent in the early stages of growth companies, the company's need to raise substantial additional capital to proceed with its business, risks associated with competitors, and other risks detailed from time to time in the company's most recent filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. The company disclaims any intent or obligation to update these forward-looking statements.

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