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NEWS RELEASE – January 30, 2007

SmarTire Systems Announces Restructuring

Richmond, British Columbia, Canada, January 30, 2007 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that it has completed its restructuring of operations as it reduced its work force by approximately 25%.

SmarTire President and CEO Dave Warkentin said, “We have taken significant actions to reduce costs. Since September, our overall staff level has been reduced by approximately 50%. As part of this initiative, we plan to close our UK facility at the end of February, 2007. We do not anticipate that this closure will affect our European sales efforts. In addition, we were able to reduce our engineering and product development team as we have now completed the development of our tire pressure monitoring system which meets the requirements of our major commercial vehicle customers. We continue to make aggressive efforts to grow our revenue.”

About SmarTire Systems Inc.

SmarTire develops and markets proprietary advanced wireless sensing and control systems worldwide under the SmartWave™ trademark. The company has developed numerous patent-protected wireless technologies and advanced tire monitoring solutions since 1987. The company’s proprietary SmartWave platform provides a foundation for multiple wireless sensing and control applications designed to address the unique needs of the commercial and recreational vehicles market. The initial product release on the SmartWave platform is SmartWave TPMS, which leverages on the company’s background and knowledge in tire monitoring solutions to provide significant cost and efficiency savings for commercial, recreational and large fleet vehicles throughout North America. SmarTire has offices in North America and Europe. For more information about SmarTire Systems Inc., visit <http://www.smartire.com>.

This press release is available for investor commentary, questions, near real-time answers and monitored discussion in the SmarTire IR HUB at <http://www.agoracom.com/IR/SmarTire>.

Alternatively, investors may speak with D.P. Martin and Associates at (561) 514-0194 or e-mail info@dpmartin.com.

Except for historical information contained herein, the matters discussed in this news release contain forward-looking statements within the meaning of Section 27A of the Securities Act of

1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. When used in this news release, the words “expects,” “may,” and similar expressions identify such forward-looking statements. Forward looking statements in this news release include the company’s expectation that it can close its UK facility without effecting European sales. Actual results, performance, or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. These forward-looking statements are based largely on the expectations of SmarTire and are subject to a number of risks and uncertainties that are subject to change based on factors, which are, in many instances, beyond SmarTire’s control. These include, but are not limited to, risks and uncertainties associated with, SmarTire’s ability to obtain additional financing and to continue as a going concern, SmarTire’s dependence on key personnel, the effects of competitive pricing, SmarTire’s dependence on the ability of third-party manufacturers to produce components on a basis that is cost-effective to SmarTire, market acceptance of SmarTire’s products, acceptance of SmarTire’s products by prominent customers, SmarTire’s ability to keep up with technological advances in the industry, the effect of competitive products and the effects of governmental regulations. SmarTire cautions that the foregoing factors are not exhaustive. For a detailed discussion of these and other risk factors, please refer to SmarTire’s filings with the Securities and Exchange Commission, including its annual report on Form 10-KSB and subsequent quarterly reports on Form 10-QSB. SmarTire expressly disclaims any intent or obligation to update any forward-looking statements.