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**NEWS RELEASE – June 14, 2007**

## **SmarTire Reports Q3 Financial Results**

**Richmond, British Columbia, Canada, June 14, 2007 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR)**, a provider of active tire pressure and temperature monitoring systems for the global commercial transportation, recreational vehicle, bus and off highway vehicle markets, announced today that revenue for the nine months ending April 30, 2007 increased to \$2,731,557 from \$2,627,617 for the nine months ended April 30, 2006 and revenue for the third quarter of fiscal year 2007 decreased to \$933,113 from \$1,195,136 for the same period in 2006.

“I am disappointed that revenues were flat from Q2 as we had forecasted growth of 30-50% for Q3,” said SmarTire president and CEO Dave Warkentin. “However, I expect that we should now begin to realize quarterly increases in revenue because these lower than forecasted revenues were not a result of lost business but were due to a delay in the establishment of sales channels in the commercial trucking market and the completion of the sales and integration process of certain major accounts. Our May 2007 sales are indicative of this increase as we recorded sales of approximately \$450,000. We anticipate the majority of our increase in revenues should come from customers such as Dana Corporation, which is now supplying our SmartWave products to commercial fleet customers through various truck manufacturers’ dealer networks in North America, and John Deere, which we announced as a new customer earlier today.”

Warkentin continued, “I am extremely pleased with the results of our cost-cutting measures and am confident that our revenues should grow and enable us to achieve our short-term goal of break-even on a cash flow basis within the next six to nine months.”

For the third quarter of fiscal 2007, SmarTire net losses decreased to \$4.0 million, or \$(0.01) per share, from \$4.3 million, or \$(0.01) per share reported for the same period last year. Net loss for the nine months ended April 30, 2007 was \$14.6 million for fiscal 2007, or a loss per share of \$(0.06), compared to a net loss of \$26.3 million, or loss per share of \$(0.09) for the same period in 2006. Cash used in operations for the nine months ended April 30, 2007 decreased to \$4.1 million from \$6.4 million for the nine months ended April 30, 2006, a decrease of 36%.

SmarTire's detailed operating results are available in its Form 10-QSB, filed with the SEC, available online at: <http://www.sec.gov>. SmarTire's consolidated financial statements and all financial information contained in this release are stated in U.S. dollars and are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

SmarTire's third-quarter earnings call with shareholders will be held Friday, June 15 at 11:30 a.m. EDT. U.S. and Canadian shareholders can call 1-888-865-1051 and ask the operator to connect them to the SmarTire call. International callers may dial (641) 297-7408.

Those who miss the call may listen to it through an mp3 file that will be posted at [www.smartire.com](http://www.smartire.com).

For more information, visit <http://www.smartire.com> or contact Peter Moore, Walek & Associates at (212) 590-0533 or e-mail at [pmoore@walek.com](mailto:pmoore@walek.com)

### **About SmarTire**

SmarTire develops and markets proprietary advanced wireless sensing and control systems worldwide under the SmartWave™ trademark. SmarTire has developed numerous patent-protected wireless technologies and advanced tire monitoring solutions since it was founded in 1987. Its proprietary SmartWave platform provides a foundation for the addition of multiple wireless sensing and control applications. The initial product release on the SmartWave platform is SmartWave TPMS, which leverages on SmarTire's background and knowledge in tire monitoring solutions. For more information, visit <http://www.smartire.com>.

*Except for historical information, this news release contains forward-looking statements that involve substantial risks and uncertainties. When used in this news release, the words "expects," "may," "intends," "plans", anticipates, "likely", "believes" and similar expressions can be used to identify forward-looking statements. Forward-looking statements are based on current facts and analysis and on forecasts of future results, estimates of amounts not yet determined and assumptions of management. Actual results, performance, or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. Forward-looking statements in this press release include the statements about SmarTire's belief that it should realize quarterly revenue increases each quarter, that the majority of the anticipated increase in revenues will come from customers such as Dana Corporation and John Deere and that the Company should reach break-even on a cash flow basis within the next six to nine months. These forward-looking statements are based largely on the expectations of SmarTire and are subject to a number of risks and uncertainties that are 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.*