

SmarTire Systems Inc.
Suite 150, 13151 Vanier Place
Richmond, British Columbia
Canada, V6V 2J1

T: (604) 276-9884
F: (604) 276-2350
www.smartire.com

OTCBB: SMTR

NEWS RELEASE – June 5, 2006



SmarTire to Supply Tire Pressure Monitoring Systems to Optima Bus Corp.

SmarWave™ TPMS improves vehicle safety and performance

Richmond, British Columbia, Canada, June 5, 2006 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced that Optima Bus Corporation has selected SmarTire to supply its tire pressure monitoring systems (TPMS) on its buses including those units that Optima will manufacture for the Chicago Transit Authority. Optima is a leading manufacturer of medium-size mass transit buses including the Opus Low-floor Bus and American Heritage Streetcar.

SmarTire's TPMS improves vehicle safety and performance by providing drivers with real-time tire information while the vehicles are in motion. At a push of a button, the SmarTire system displays each tire's temperature and pressure deviation. If the system detects a loss of air pressure or abnormally high temperature, a warning light automatically alerts the driver to the condition.

Dave Warkentin, vice president sales and marketing of SmarTire Systems, said, "The addition of Optima Bus to our growing list of bus OEM customers further enhances our leading position in the transit and coach bus markets. We look forward to working with the Optima Bus to provide advanced monitoring solutions for its vehicles."

Doug Brehm, vice president of projects at Optima Bus, said, "Optima has a reputation for quality, service and safety. Our corporate culture has a tradition of nurturing innovation and seeking ways to better serve the needs of each customer. SmarTire's TPMS system will help us continue to achieve these goals."

About Optima Bus Corporation

Optima Bus Corporation "transit tough" products – the revolutionary-designed Opus low-floor bus and nostalgic American Heritage Streetcar – have lived-up to their reputations with more than 180 Optima customers across the United States. For more information about Optima Bus Corporation, the Opus low-floor bus, or the American Heritage Streetcar, contact Optima Bus Corporation at 1-888-391-1777 or visit <http://www.optimabus.com>.

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 it was founded in 1987. The company's 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 the company's background and knowledge in tire monitoring solutions. SmarTire has offices in North America and Europe. For more information about SmarTire Systems Inc., visit <http://www.smartire.com>.

A comprehensive investment profile regarding SmarTire Systems Inc. may be found at <http://www.hawkassociates.com/smartire/profile.php>. Investor relations information can be found at <http://www.hawkassociates.com>, <http://www.americanmicrocaps.com> and <http://www.agoracom.com/IR/SmarTire>. Investors may contact Ken AuYeung or Frank Hawkins of Hawk Associates at (305) 451-1888, e-mail: info@hawkassociates.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," "will" and similar expressions identify certain of such forward-looking statements. 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 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, 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.