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## **NEWS RELEASE – March 19, 2007**

### **SmarTire Reports Second Quarter Fiscal 2007 Results** *Year to Date Revenues Increase 25%*

**Richmond, British Columbia, Canada, March 19, 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 second quarter of fiscal year 2007 increased 13% to \$946,665 from \$839,615 for the same period in 2006. For the six months ended January 31, 2007, SmarTire reported that sales increased to \$1,798,444 from \$1,432,481 for the six months ended January 31, 2006 an increase of 25%.

SmarTire President & CEO Dave Warkentin said, "I am pleased that we have increased revenues by 25% year to date. However, our goal is for the business to reach break-even on a cash flow basis by the end of the calendar year which requires an increase in our revenue growth rate. The foundation for this growth has been laid and I expect revenues to increase by 30-50% over the next fiscal quarter. We forecast this growth to be derived from sales of tire pressure monitoring systems in both the United States and Europe, as we expect to begin shipping to new major accounts that have been in process for the past two years."

"During this past quarter, we streamlined our operations and significantly reduced our overhead. Included in our expenses for the six months ended January 31, 2007 are costs of approximately \$0.5 million to streamline our operations. We anticipate these actions and future cost saving measures to result in annual savings of \$2.0M - \$2.5M."

For the second quarter of fiscal 2007, SmarTire net losses increased to \$5.3 million, or \$(0.02) per share, from \$3.9 million, or \$(0.01) per share reported for the same period last year. Net loss for the six months ended January 31, 2007 was \$10.6 million for fiscal 2007, or a loss per share of \$(0.05), compared to a net loss of \$22.1 million, or loss per share of \$(0.08) for the same period in 2006. Cash used in operations for the six months ended January 31, 2007 decreased to \$3.3 million from \$4.9 million for the six months ended January 31, 2006, a decrease of 33%.

SmarTire's detailed operating results are available in the Company's Form 10-QSB, filed with the SEC, available online at: <http://www.sec.gov>. The Company'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 now offers the very latest corporate and product information to businesses, investors and consumers on its refined business strategy, corporate outlook and its latest initiatives via its newly updated website at: [www.smartire.com](http://www.smartire.com).

### **About SmarTire Systems Inc.**

Since 1987, SmarTire has been developing and marketing proprietary advanced wireless sensing and control systems for the worldwide commercial and large fleet vehicle industry under the SmartWave™ trademark. SmarTire's proprietary SmartWave platform provides a foundation for multiple wireless sensing and control applications. SmarTire's initial product release on the SmartWave platform is SmartWave TPMS, which leverages SmarTire's background and knowledge in tire monitoring solutions to provide substantial fuel, tire and operator cost savings to commercial and recreational vehicle operators. For more information about SmarTire, 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>.

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*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 "believes," "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. Forward-looking statements in this press release include statements about SmarTire's belief that revenues will increase by 30- 50% over the next fiscal quarter, that SmarTire will ship to new major accounts and that future annual savings from streamlining of operations and future cost saving measures will result in annual savings of \$2.0M - \$2.5M. 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 general economic conditions, competition, dependence on collaborative partners, SmarTire's ability to avoid infringement of the patent rights of others, SmarTire's ability to obtain adequate patent protection and to enforce these rights, 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 effects of governmental regulations and SmarTire's ability to obtain additional funding and continue operating as a going concern. SmarTire cautions that the foregoing factors are not exhaustive. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. SmarTire does not undertake any obligation to update or review any such forward-looking information, whether as a result of new information, future events or otherwise.*