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**NEWS RELEASE – May 1, 2007**

## **SmarTire Secures Additional Financing**

**Richmond, British Columbia, Canada, May 1, 2007** -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that it has entered into an agreement dated April 27, 2007, providing for the sale of up to \$1.5 million in convertible debentures to a subsidiary of Cornell Capital Partners, LP. On April 27, 2007, SmarTire sold one convertible debenture under this agreement for gross proceeds of \$1.15 million. The agreement provides that SmarTire may sell convertible debentures for the balance of up to \$350,000 at any time until Oct. 1, 2007. Terms of the financing are disclosed in the company's 8-K filed today.

SmarTire intends to use the net proceeds of this financing offering for general corporate purposes, including working capital.

"We are pleased that Cornell has demonstrated its continued support of our strategy and vision as evidenced by its second financing with the company this calendar year," said SmarTire CFO Jeff Finkelstein.

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

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. SmarTire has offices in North America and Europe. For more information, 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](mailto:info@dpmartin.com).

*Statements in this news release that are not historical facts are forward-looking statements that are subject to risks and uncertainties. You can identify forward-looking statements by the use of words such as "expects", "intends", "plans", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import. 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 may differ materially from those currently anticipated due to various factors that are not within the control of the company. Forward-looking statements in this press release include the statement about SmarTire's belief that it may sell the balance of \$350,000 in convertible debentures. This forward-looking statement is based largely on the expectations of SmarTire and is 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.*