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SmarTire Achieves Industry Milestone With New Commercial Vehicle Sensor

Files Important Patent Application for Innovative External Valve Sensor

Richmond, British Columbia, Canada, October 18, 2006 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that it has filed a comprehensive patent application in the United States for an external valve sensor used in its tire pressure monitoring systems.

SmarTire's external valve sensors were specifically designed to address the needs of the commercial vehicle industry and offer practical installation and maintenance improvements over current solutions. They complement the existing internal sensor products, providing the most comprehensive TPM product offering in the market. SmarTire external sensors are expected to be released for sale in the second quarter of 2007.

David Warkentin, vice president of sales and marketing for SmarTire said, "This technological innovation further strengthens our product position and directly addresses the needs of the commercial market. SmarTire's external valve sensors will reduce the installation costs of tire pressure monitoring systems and enable faster implementation for large fleets during retrofit in the aftermarket. Although our current products are well received at the OEM level and in fleet trials, market research indicated that a percentage of the commercial vehicle market would be slower to adopt tire pressure monitoring systems without this complimentary solution."

Warkentin added, "We are pleased to be the first to introduce this technological milestone. It is the result of extensive industry collaboration and product development that builds on our existing technology. Adding this to our patent portfolio is in line with our goal to build and protect the intellectual property that forms the basis for our products. Patent protection will help us maintain and extend our dominance in this market."

About SmarTire Systems Inc.

SmarTire develops and markets proprietary advanced wireless sensing and control systems worldwide under the SmartWave™ trademark. The company has invested more than \$100 million in R&D for its patented tire monitoring technology. It also developed numerous patent-protected wireless technologies and has advanced tire monitoring solutions since 1987.

The company offers large fleet, commercial, bus and recreational vehicles patent-protected, before- and after-market wireless technologies and advanced tire-monitoring solutions using its proprietary SmartWave platform. The platform provides a foundation for the addition of multiple wireless sensing and control applications. Initial product releases using the SmartWave platform include the company's SmartWave™ TPMS, which leverages on the company's background and knowledge in tire monitoring solution. SmarTire Systems maintains operations in North America and Europe. For more information about SmarTire Systems Inc., visit <http://www.smartire.com>.

For more information

Visit <http://www.hawkassociates.com/smrprofile.aspx> for a comprehensive investment profile on SmarTire Systems Inc. For an online investor relations kit, SEC filings and other useful investor information regarding SmarTire Systems Inc., visit <http://www.hawkassociates.com/smartire.aspx> and <http://www.americanmicrocaps.com>. In addition, this press release is available for 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 "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, approval of patents by the US Patent Office, the effect of competitive products and the effects of governmental regulations. SmarTire cautions that the foregoing factors are not exhaustive.