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**NEWS RELEASE – December 13, 2002**

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**SmarTire Systems Reports First Quarter Results For Fiscal Year 2003**

*Visteon Agreement, Pirelli Supply Contract, Multi-year OEM Contract and New Motorcycle Product Among Recent Achievements for SmarTire*

**RICHMOND, BRITISH COLUMBIA, CANADA** – December 13, 2002 – SmarTire Systems Inc. (Nasdaq: SMTR), a leading developer of tire pressure and temperature monitoring technology, today announced results for its fiscal year 2003 first quarter ended October 31, 2002. SmarTire reports all results in U.S. dollars.

Gross revenue for the quarter totaled \$397,589, up from gross revenue of \$352,629 for the same quarter in 2001. SmarTire recorded a net loss of \$2.07 million or loss per share of \$0.11 for the quarter compared to a net loss of \$1.60 million or loss per share of \$0.11 for the same quarter last year.

“SmarTire achieved its revenue objectives for the first quarter and we’re ramping up production in anticipation of increasing demand for our tire monitoring technologies and products,” says Robert Rudman, President and Chief Executive Officer of SmarTire Systems. “Since the beginning of this fiscal year we finalized our strategic relationship with Visteon, signed and began delivering on a Supply Agreement with Pirelli, announced an eight-year, multi-million dollar OEM contract and launched our new motorcycle product at the Internot international trade show. These strategic and operational achievements, coupled with the marketing opportunity created by the TREAD Act in the U.S., point to the potential for strong revenue growth in 2003.”

SmarTire also held its Annual General Meeting of Shareholders on December 12, 2002 in Vancouver, British Columbia, Canada. At the meeting, SmarTire shareholders supported and approved all proposed resolutions.

SmarTire is a pioneer and market leader in the development of direct measurement tire monitoring technology for all sectors of the automotive and transportation industries. Incorporated in 1987, SmarTire is a public company with offices in North America and the United Kingdom. Additional information can be found at [www.smartire.com](http://www.smartire.com).

**“Jeff Finkelstein”**

Jeff Finkelstein, CA  
Chief Financial Officer

This news release includes statements about expected future events and/or financial results that are forward-looking in nature and subject to risks and uncertainties. Forward-looking statements in this release include, but are not limited to, those relating to the anticipated demand for our tire monitoring technologies and products, planned or anticipated sales of our products and technology to original equipment manufacturers, and our belief that we have potential for strong revenue growth in 2003. It is important to note that actual outcomes and the Company's actual results could differ materially from those in such forward-looking statements. Factors that could cause actual results to differ materially include general factors such as insufficient investor interest in the Company's securities, the impact of competitive products and pricing and general economic conditions as they affect the Company's customers, market acceptance of our technologies and products, and specific risks such as the uncertainty of the extent of marketing opportunity that will be created by the TREAD Act (including uncertainties that remain with respect to the timing and certain details of additional rules that are anticipated to be introduced under the TREAD Act), reliance on third party manufacturers to produce SmarTire products and technology, and our ability to source product components in a timely manner. Readers should also refer to the risk disclosures outlined in the Company's annual report of Form 10-KSB for the last completed fiscal year filed with the SEC.

**SMARTIRE SYSTEMS INC**

Financial Summary

Expressed in United States dollars

	Three months ended October 31,	
	2002	2001
Revenue	\$ 397,589	\$ 352,629
Cost of goods sold	<u>317,745</u>	<u>247,924</u>
Gross profit	79,844	104,705
Expenses	<u>1,986,847</u>	<u>1,682,199</u>
Loss from operations	1,907,003	1,577,494
Other Expenses	<u>163,370</u>	<u>24,978</u>
Net Loss	<u>\$ 2,070,373</u>	<u>\$ 1,602,472</u>
Loss per share	<u>\$ 0.11</u>	<u>\$ 0.11</u>

**SMARTIRE SYSTEMS INC.**

Balance Sheet Summary

Expressed in United States dollars

	October 31,	July 31,
	2002	2002
Cash and Cash Equivalents	\$ 61,680	\$ 525,968
Total Current Assets	\$ 1,566,609	\$ 2,366,946
Total Assets	\$ 5,735,800	\$ 6,749,601
Current Liabilities	\$ 2,793,060	\$ 2,460,555
Stockholders' Equity	\$ 2,942,740	\$ 4,289,046
Total Liabilities and Stockholders' Equity	\$ 5,735,800	\$ 6,749,601