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SmarTire Reports Year End Results

RICHMOND, BRITISH COLUMBIA, CANADA – September 28, 2000 – SmarTire Systems Inc. (Nasdaq: SMTR) today reported net income of CDN \$3.3 million (\$0.25 per share) for the year ended July 31, 2000 compared with a loss of CDN \$17.2 million (\$1.69 per share) for the same period in 1999. The net income is a result of the gain on the sale of an investment in Transense Technologies plc (Transense) as previously announced (March 28). The 1999 loss included a special charge of CDN \$7.3 million.

The positive financial results and strong cash position provides SmarTire with the fiscal resources to further execute its business plan. The Company intends to maintain its leadership in the industry by continuing with its comprehensive product development program, marketing strategy and public awareness campaign.

“Recent industry developments have increased the awareness for tire monitoring and improved our corporate and product positioning. SmarTire will continue to promote and position our products and technology as the best solution for this growing demand,” said Robert Rudman, SmarTire’s President and Chief Executive Officer. “After many years of research, development and marketing, we have and will continue to stress that tire pressure monitoring represents the next generation in vehicle safety. Recent tragic accidents resulting from tire failures have shaken the public confidence in tires. A major step in regaining this confidence can be achieved with the installation of SmarTire’s monitoring products.”

SmarTire’s new products for cars, light trucks and sport utility vehicles provide an extra measure of safety, performance and reliability with advanced technology, modular design and improved features. With a completely new transmitter in a choice of two mounting configurations, as well as display options that offer an early warning signal or real-time digital tire pressure and temperature information, SmarTire products provide motorists important tire operating information.

The Company will be showcasing its products for the aftermarket at SEMA, North America’s largest automotive aftermarket trade show in Las Vegas next month. Existing and potential customers in both Europe and North America are currently testing several of the Company’s tire pressure monitoring systems.

SmarTire Systems Inc. develops and markets proprietary tire monitoring systems for the North American and European automotive aftermarkets. Through their strategic alliance, SmarTire Systems and TRW Inc. are committed to providing superior tire monitoring systems for both aftermarket and original equipment applications. Additional information is available at www.smartire.com.

“Kevin A. Carlson”

Kevin A. Carlson, CA
Chief Financial Officer and General Manager

Except for the historical information contained herein, this news release contains forward looking statements that involve risks and uncertainties, including the impact of competitive products and pricing and general economic conditions as they affect the Company’s customers. Actual results and developments may therefore differ materially from those described in this release.

SMARTIRE SYSTEMS INC.
Income Statement Summary
Expressed in Canadian dollars

	Year ended July 31,	
	<u>2000</u>	<u>1999</u>
Revenue	\$ 1,100,821	\$ 2,677,935
Cost of goods sold	<u>500,139</u>	<u>2,184,048</u>
Gross profit	600,682	493,887
Expenses	<u>9,490,160</u>	<u>17,680,135</u>
Net loss	(8,889,478)	(17,186,248)
Other Income	<u>12,201,832</u>	<u>-</u>
Net income (loss)	<u>\$ 3,312,354</u>	<u>\$(17,186,248)</u>
Income (loss) per share	<u>\$ 0.25</u>	<u>\$ (1.69)</u>

SMARTIRE SYSTEMS INC.
Balance Sheet Summary
Expressed in Canadian dollars

	<u>July 31,</u>	<u>July 31,</u>
	<u>2000</u>	<u>1999</u>
Cash and short-term Investments	\$ 14,512,558	\$ 2,484,995
Total Current Assets	15,047,204	3,943,953
Total Assets	15,966,373	4,467,434
Current Liabilities	739,155	1,892,503
Shareholders' Equity	15,227,218	2,574,931
Total Liabilities and Shareholders' Equity	\$ 15,966,373	\$ 4,467,434