

News Release – June 13, 2000
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SmarTire Systems Reports Strong Cash Position

RICHMOND, BRITISH COLUMBIA, June 13, 2000 – SmarTire Systems Inc. (Nasdaq: SMTR) today reported net income of CDN \$9.6 million (\$0.64 per share) for the third quarter ended April 30, 2000 compared with a loss of CDN \$10.1 million (\$1.02) for the same period in 1999. The 1999 loss included a special charge of CDN \$7.3 million. The net income and completion of the private placement resulted in cash and short-term investments totaling CDN \$16.2 million at April 30, 2000.

Robert Rudman, President and CEO of SmarTire Systems Inc. noted 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 Management and Board of Directors at SmarTire Systems recognized the value of the Transense technology for future tire monitoring applications by pursuing a licensing agreement and investment in this company. The investment in Transense has not only brought financial resources to the Company but also created a positive synergy with another world leading supplier of advanced technology,” he added.

“The additional cash will continue to fund our product development program, add engineering resources and enhance our public relations and marketing activities,” he said. “SmarTire Systems continues to be the leader in the development of tire monitoring solutions for the transportation industry,” stated Rudman. “In Europe and North America we are developing public relations strategies to increase the awareness of tire monitoring and promote our products” he added. “Our aggressive marketing program will include participation in key industry tradeshow this fall including Automechanika in Frankfurt, Germany and SEMA in Las Vegas, Nevada to showcase our technology and products.”

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, C.A.
Chief Financial Officer and General Manager

Except for this 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
Financial Summary
Expressed in Canadian dollars

	Three months ended April 30,		Nine Months ended April 30,	
	2000	1999	2000	1999
Revenue	\$226,963	\$696,840	\$816,116	\$1,920,821
Cost of Goods Sold	118,438	577,169	431,899	1,583,863
Gross Profit	108,525	119,671	384,217	336,958
Expenses and Other	2,695,008	10,221,785	7,786,676	14,906,171
Income (Loss) from Operations	(2,586,483)	(10,102,114)	(7,402,459)	(14,569,213)
Gain on Sale of Investment	12,201,832	-	12,201,832	-
Net Income (Loss)	<u>\$9,615,349</u>	<u>\$(10,102,114)</u>	<u>\$4,799,373</u>	<u>\$(14,569,213)</u>
Income (Loss) Per Share				
Basic	\$0.69	\$(1.02)	\$0.38	\$(1.49)
Fully Diluted	\$0.64	\$(1.02)	\$0.36	\$(1.49)

SMARTIRE SYSTEMS INC.
Balance Sheet Summary
Expressed in Canadian dollars

	April 30, 2000	July 31, 1999
Cash and Cash Equivalents	\$12,916,575	\$422,982
Total Current Assets	\$16,480,366	\$3,943,953
Total Assets	\$17,327,318	\$4,467,434
Current Liabilities	\$613,081	\$1,892,503
Shareholders' Equity	\$16,714,237	\$2,574,931
Total Liabilities and Shareholders Equity	\$17,327,318	\$4,467,434