

News Release – March 16, 2000  
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## **SMARTIRE SYSTEMS REPORTS SECOND QUARTER RESULTS**

RICHMOND, BRITISH COLUMBIA, March 16, 2000 – SmarTire Systems Inc. (Nasdaq: SMTR) today reported a net loss of CDN \$2.8 million (\$0.22 per share) for the second quarter ended January 31, 2000 compared with a loss of CDN \$2.7 million (\$0.28) for the same period in 1999.

“SmarTire Systems Inc. has focused major resources to engineering and product development,” said Robert Rudman, Chairman and Chief Executive Officer. He added the Company is pursuing a significant product development program that includes extensive product testing and validation. “Our recent announcement reporting that Morgan Motor Company of Britain will be installing SmarTire systems in its Morgan Aero 8 supercar demonstrates our progress in product development,” stated Rudman. The launch of the new Aero 8 represents the largest development program ever undertaken by Morgan in more than 90 years of sports car manufacturing. “The selection of SmarTire’s wireless systems by this original equipment manufacturer highlights a major application of our technologically advanced products which represents tremendous market potential,” added Rudman. Other announcements with Transense Technologies, Alligator Ventilfabrik and SensorNor ASA also demonstrate the progress being achieved in our strategic partnering program, he added.

SmarTire Systems Inc. is an emerging technology company that develops and markets proprietary tire monitor systems for the North American and European automotive aftermarket. Through their strategic alliance, SmarTire and TRW Inc. are committed to providing superior tire monitoring systems for both after market and original equipment applications. Additional information is available at [www.smartire.com](http://www.smartire.com).

**“ Kevin A. Carlson ”**

Kevin A. Carlson, C.A.  
Chief Financial Officer

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 January 31,		Six Months ended January 31,	
	2000	1999	2000	1999
Revenue	\$294,227	\$530,595	\$589,153	\$1,223,981
Cost of Goods Sold	146,664	417,457	313,461	1,006,694
Gross Profit	147,563	113,138	275,692	217,287
Expenses and Other	2,969,012	2,770,390	5,091,668	4,691,322
Net Loss	<u>\$2,821,449</u>	<u>\$2,657,252</u>	<u>\$4,815,976</u>	<u>\$4,467,099</u>
Loss Per Share	\$0.22	\$0.28	\$0.42	\$0.47

**SMARTIRE SYSTEMS INC.**  
 Balance Sheet Summary  
 Expressed in Canadian dollars

	January 31, 2000	July 31, 1999
Cash	\$1,285,382	\$422,982
Total Current Assets	\$2,310,489	\$3,943,953
Total Assets	\$3,105,816	\$4,467,434
Current Liabilities	\$1,164,659	\$1,892,503
Shareholders' Equity	\$1,941,157	\$2,574,931
Total Liabilities and Shareholders Equity	\$3,105,816	\$4,467,434