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SmarTire reaches settlement with Siemens on patent infringement lawsuit

Richmond, British Columbia, Canada, March 4, 2008 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that it has settled its patent infringement lawsuit against Siemens VDO Automotive Corp., now known as Continental Automotive Systems US, Inc., (“Siemens”) that was pending in the United States District Court for the Eastern District of Virginia.

The terms of the February 20, 2008 Settlement and License Agreement between SmarTire and Siemens are confidential. In addition, Siemens has also acknowledged the validity and enforceability of our United States Patent No. 5,231,872 in a judgment that was entered by the district court on February 21, 2008.

Dave Warkentin, President of SmarTire, said, “We are very pleased with this settlement as it validates and strengthens our extensive patent portfolio. We expect to receive significant financial and non-financial benefits from the settlement, including substantial net proceeds after payment of withholding taxes and litigation-related expenses. It will have a positive impact and allow us to focus on growing our business. We will continue to invest in R&D, seek innovations in tire pressure monitoring technologies and vigorously defend our intellectual property rights.”

SmarTire’s remaining patent infringement claim against Schrader-Bridgeport International, Inc. and Schrader Electronics Ltd. in the same case will continue with a jury trial now set to begin on May 7, 2008, subject to the Court’s ruling on pre-trial motions.

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 developed numerous patent-protected wireless technologies and has advanced tire monitoring solutions since 1987.

SmarTire 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 SmartWave™ TPMS, which leverages on SmarTire's background and knowledge in tire monitoring solution. SmarTire Systems maintains operations in North America and Europe.

For more information:

For more information, visit <http://www.smartire.com> or contact Emily Philips of Walek & Associates at 888-565-1240 or e-mail smartireinfo@walek.com.

Except for historical information, this news release contains forward-looking statements that involve substantial risks and uncertainties. When used in this news release, the words "expects," "may," "intends," "plans", anticipates, "likely", "believes" and similar expressions can be used to identify forward-looking statements. Forward-looking statements are based on current facts and analysis and on forecasts of future results, estimates of amounts not yet determined and assumptions of management. Actual results, performance, or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. Forward-looking statements in this press release include the SmarTire's statement that SmarTire expects to receive significant financial and non-financial benefits from the settlement, including substantial net proceeds after payment of withholding taxes and litigation-related expenses ,that it will have a positive impact and allow the Company to focus on growing it's business, that the Company will continue to invest in R&D, seek innovations in tire pressure monitoring technologies and vigorously defend our intellectual property rights, and that the trial of the Company's case against Schrader-Bridgeport International, Inc. should start on May 7, 2008. These forward-looking statements are based largely on the expectations of SmarTire and are subject to a number of risks and uncertainties that are beyond SmarTire's control. These include, but are not limited to, risks and uncertainties associated with, SmarTire's ability to obtain additional financing and to continue as a going concern, SmarTire's dependence on key personnel, 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, acceptance of SmarTire's products by prominent customers, SmarTire's ability to keep up with technological advances in the industry, the effect of competitive products and the effects of governmental regulations. SmarTire cautions that the foregoing factors are not exhaustive. For a detailed discussion of these and other risk factors, please refer to SmarTire's filings with the Securities and Exchange Commission, including its annual report on Form 10-KSB and subsequent quarterly reports on Form 10-QSB. SmarTire expressly disclaims any intent or obligation to update any forward-looking statements.