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SmarTire strengthens supply chain

Signs long-term agreement with GE Sensing

Richmond, British Columbia, Canada, 14 August, 2007 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that it has signed a 3 year agreement with GE Sensing for the continued supply of a key component of SmarTire's tire monitoring system.

SmarTire's current tire monitoring sensors already include the GE Sensing NPX component, which monitors pressure and temperature information within the tire. The tire monitoring sensors have been optimized by combining GE Sensing's NPX component with other RF and power management components in SmarTire's tire monitoring systems to provide optimum performance and durability.

"This agreement is a critical part of strengthening the supply chain for SmarTire," said Greg Tooke, vice president of product & supply chain for SmarTire. "The GE Sensing product is a high quality, field-proven device that has demonstrated its ability to meet the harshest environments and performance levels in the transportation industry."

SmarTire is taking active steps to manage and solidify the entire supply chain to ensure it meets customers' delivery and reliability expectations. Working in close cooperation with key suppliers like GE Sensing will help SmarTire remain competitive from both a technology and cost perspective."

David Hardy, General Manager Sales for GE Sensing, said "we are pleased to partner with SmarTire through this long-term supply agreement. They have consistently pioneered the TPMS market, and we are confident that they will be a major supplier of tire pressure monitoring systems to the commercial and off-highway vehicle industries now and in the future."

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 about SmarTire Systems Inc., visit <http://www.smartire.com>.

About GE Sensing

GE Sensing is a leading innovator in advanced measurement and sensor-based technology solutions. GE Sensing designs and produces precision instruments and systems that measure temperature, pressure, liquid level, humidity, gas concentration, and flow rate for the most demanding customer applications. GE Sensing serves customers around the world in the aerospace, healthcare, transportation, process and industrial businesses.

Druck, General Eastern, Kaye, NovaSensor, Panametrics, Telaire, Thermometrics and Ruska are now part of one team, under one name: GE Sensing. For more information, visit: www.gesensing.com

For more information:

For more information, visit <http://www.smartire.com> or contact Peter Moore, Walek & Associates at (212) 590-0533, e-mail pmoore@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 SmarTire's expectations that working in close cooperation with key suppliers like GE Sensing will help

SmarTire strengthen its supply chain, remain competitive and meet customer delivery and performance levels. 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.