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NEWS RELEASE – December 15, 2006

SmarTire Reports Q1 Financial Results

SmarTire Fiscal Q1 Revenue Up 44% to \$851,000

Richmond, British Columbia, Canada, December 15, 2006 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that revenue for the first quarter of fiscal year 2007 increased 44% to \$851,779 from \$592,866 in the first quarter of fiscal year 2006.

Net loss for the quarter decreased to \$5.3 million, or \$0.02 per share, from \$17.8 million, or \$0.06 per share, in Q1 '06. Excluding non-cash charges of \$3.3 million during fiscal Q1 '07 and \$15.4 million during the first quarter of fiscal year 2006, net loss decreased to \$2 million for fiscal Q1 '07, from \$2.4 million fiscal Q1 '06. Cash used to fund operating activities during fiscal Q1 '07 decreased to \$1.8 million, from \$3.1 million during Q1 '06. Less cash was used in the first quarter of fiscal 2007 than the comparable quarter a year ago mainly as a result of a \$900,000 interest payment on SmarTire's convertible debentures in Q1 '06.

Detailed operating results will be provided in the company's Form 10-QSB that will be filed with the Securities and Exchange Commission today. The form will be viewable via <http://www.sec.gov>. The company's consolidated financial statements and all financial information contained in this release are stated in U.S. dollars and are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

SmarTire President and CEO Dave Warkentin said, "Our first quarter results show a continuing trend of year-on-year revenue growth. I believe that our revenues will increase in the second half of our fiscal year. Major players in the commercial vehicle industry have advised us that they plan to order products beginning in calendar 2007. Future sales to these customers would be the culmination of investments made in product development, sales and marketing activities during the past 18 months. I am excited about this potential opportunity for our company as the market is now confirming the value of our products. I expect this will soon be reflected in our financial results.

"In addition, we have recently undertaken actions to reduce costs, which we believe will enable us to reach the goal of profitability within the next 12 months," Warkentin said.

SmarTire's annual and special meeting of shareholders was held on December 8, 2006. All

resolutions proposed by management for adoption by the shareholders were approved. All incumbent directors were re-elected, and the board re-appointed SmarTire's incumbent officers for fiscal year 2007.

About SmarTire Systems Inc.

SmarTire develops and markets proprietary advanced wireless sensing and control systems worldwide under the SmartWave™ trademark. The company has developed numerous patent-protected wireless technologies and advanced tire monitoring solutions since it was founded in 1987. The company's proprietary SmartWave platform provides a foundation for the addition of multiple wireless sensing and control applications. The initial product release on the SmartWave platform is SmartWave TPMS, which leverages on the company's background and knowledge in tire monitoring solutions. SmarTire has offices in North America and Europe. For more information about SmarTire Systems Inc., visit <http://www.smartire.com>.

A comprehensive investment profile regarding SmarTire Systems Inc. may be found at <http://hawkassociates.com/smtprofile.aspx>.

An investment profile, a comprehensive online investor relations kit, SEC filings and other useful information regarding SmarTire Systems Inc. can be found at <http://www.hawkassociates.com/smartire.aspx> and <http://www.americanmicrocaps.com>. In addition, this press release is available for investor commentary, questions, near real-time answers and monitored discussion in the SmarTire IR HUB at <http://www.agoracom.com/IR/SmarTire>. Alternatively, investors may speak with Ken AuYeung or Frank Hawkins of Hawk Associates at (305) 451-1888, e-mail: info@hawkassociates.com, or e-mail SMTR@agoracom.com.

Except for historical information contained herein, the matters discussed in this news release contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. When used in this news release, the words "believes", "expects," "may," "will" and similar expressions identify certain of such forward-looking statements. Actual results, performance, or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements contained herein. These forward-looking statements are based largely on the expectations of SmarTire and are subject to a number of risks and uncertainties that are subject to change based on factors, which are, in many instances, beyond SmarTire's control. These include, but are not limited to, risks and uncertainties associated with general economic conditions, competition, dependence on collaborative partners, SmarTire's ability to avoid infringement of the patent rights of others, SmarTire's ability to obtain adequate patent protection and to enforce these rights, 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, SmarTire's ability to keep up with technological advances in the industry, the effects of governmental regulations and SmarTire's ability to obtain additional funding and continue operating as a going concern. SmarTire cautions that the foregoing factors are not exhaustive. Because of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. SmarTire does not undertake any obligation to update or review any such forward-looking information, whether as a result of new information, future events or otherwise.