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**NEWS RELEASE – December 5, 2007**

## **SmarTire Secures Additional Financing**

**Richmond, British Columbia, Canada, December 5, 2007** -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that it has entered into two financing agreements with Xentennial Holdings Limited, a subsidiary of Yorkville Advisors, LLC, formerly Cornell Capital Partners LP.

On November 19, 2007, the company sold a convertible debenture for gross proceeds of \$96,500.

On November 30, 2007, the company entered into an agreement, providing for the sale of up to \$1.15 million in convertible debentures. On November 30, 2007, SmarTire sold one convertible debenture under this agreement for gross proceeds of \$422,000 and issued 225 million five year warrants exercisable into shares of its Common Stock at \$0.0298 per share. The agreement provides that SmarTire may sell convertible debentures for the balance of up to \$728,000 at any time until May 30, 2008 and issue up to 420 million five year share purchase warrants exercisable into shares of its Common Stock at \$0.0298 per share.

Terms of both financings are disclosed in the company's 8-K filed today.

SmarTire intends to use the net proceeds of this financing offering for general corporate purposes, including working capital.

"We are extremely pleased that Yorkville has demonstrated its continued support of our strategy and vision and we anticipate receiving the balance of the funding within the next thirty to forty-five days," said SmarTire CFO Jeff Finkelstein.

### **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, Walek & Associates at (212) 590-0527 or e-mail at [ephillips@walek.com](mailto:ephillips@walek.com).

*Statements in this news release that are not historical facts are forward- looking statements that are subject to risks and uncertainties. You can identify forward-looking statements by the use of words such as "expects", "intends", "plans", "may", "could", "should", "anticipates", "likely", "believes" and words of similar import. 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 may differ materially from those currently anticipated due to various factors that are not within the control of the company. Forward-looking statements in this press release include the statements about SmarTire's belief that it will sell the balance of \$728,000 in convertible debentures and issue up to 420 million warrants within the next 30 to 45 days. This forward-looking statement is based largely on the expectations of SmarTire and is 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, 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.*