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DaimlerChrysler Commercial Buses Plans to Offer SmarTire Tire Pressure Monitoring System for its Setra Motorcoaches

Richmond, British Columbia, Canada, January 16, 2007 – DaimlerChrysler Commercial Buses North America announced today its planned partnership with SmarTire Systems Inc. (OTC Bulletin Board: SMTR) to supply tire pressure and temperature monitoring systems (TPMS) as a product upgrade.

“Our customers are continually looking for ways to optimize the efficiency of their coaches and the addition of the SmarTire System will provide operators with yet another value added benefit on the S 417” said Tom Chezem, vice president of new motorcoach sales of DaimlerChrysler Commercial Buses North America.

The SmartWave TPMS improves vehicle safety and performance by providing drivers and fleet managers real-time tire pressure and temperature information while their vehicles are in motion. Fleet owners can realize improved operational efficiencies in the area of fuel and tire cost savings as well as increasing driver and passenger safety through early reporting of tire related problems.

“The industry is beginning to recognize the value of the TPMS system and DaimlerChrysler Commercial Buses is just one of a number of new prominent customers that we expect to announce in our current fiscal year.” said Dave Warkentin, president and CEO of SmarTire. “We are extremely excited to add Setra motorcoach brand to our growing list of manufacturers that provide SmartWave™ TPMS systems to the commercial vehicle market.”

About DaimlerChrysler Commercial Buses North America

DaimlerChrysler Commercial Buses North America (DCCBNA), headquartered in Greensboro, N.C., combines three trusted commercial bus brands under one corporate structure: Orion transit buses, Setra motorcoaches, and the Dodge Sprinter shuttle bus. Backed by the advanced technological expertise and financial strength of its parent DaimlerChrysler, the global leader in commercial vehicles, the division provides the commercial bus market with a powerful combination of product knowledge, resources, and service/support systems. For more information about DCCBNA please visit: www.dcbusna.com.

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>.

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 D.P. Martin and Associates at (561) 514-0194 or e-mail info@dpmartin.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 "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 DaimlerChrysler Commercial Buses North America and SmarTire agreeing to mutually acceptable terms and conditions governing their planned partnership, 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.