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SmarTire to Supply Prevest With Tire Pressure and Temperature Monitoring System for Buses

Monitoring System to Become Standard on Prevest H-Series Buses

Richmond, British Columbia, Canada, January 25, 2006 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that Prevest has selected the company to supply tire pressure monitoring systems (TPMS) that also monitors tire temperature on its buses. The TPMS will come standard on Prevest's H-series bus.

Dave Warkentin, vice president of sales and marketing of SmarTire, said, "We are pleased that Prevest has selected SmarTire as a supplier. With more than 10,000 vehicles on the road today, Prevest is recognized as one of the leaders in its industry. The company is owned by Volvo Bus Corporation, the world's second largest bus manufacturer. We have already begun shipping TPMS to Prevest, and soon most Prevest H-series buses will be equipped with our TPMS. At SmarTire, vehicle safety is paramount, and this order demonstrates that Prevest also shares our values."

Highlights of the new standard features on the 2006 Prevest H-series buses are featured at <http://www.prevestcar.com/cgi-bin/pages.cgi?page=media&newsid=1137679261>.

About Prevest

Prevest is a leading North American manufacturer of premium touring coaches and bus shells for high-end motorhomes and specialty conversions. For 80 years, the company's mission has been to reach new heights in customer satisfaction through ongoing innovation, quality products, unmatched after-sales service and an unrelenting focus on customer needs.

In 1998, Prevest expanded its product line with the acquisition of Nova Bus, a leading public transit vehicle manufacturer. Its expertise and leading-edge manufacturing processes are behind the most innovative public transit solution on the road today — the Nova LFS.

Owned by Volvo Bus Corporation, Prevest has access to the financial strength, product development capabilities and quality manufacturing technology of the world's second largest motorcoach and transit bus manufacturing group.

About SmarTire Systems Inc.

SmarTire develops and markets proprietary advanced wireless sensing and control systems worldwide, including tire pressure monitoring systems for global vehicle markets. The U.S. government, through the TREAD Act, has legislated that all new passenger vehicles must be equipped with tire monitoring systems beginning with a phased implementation in 2004. This has raised the awareness for tire monitoring throughout the vehicle industry, and SmarTire is capitalizing on the rapidly emerging original equipment manufacturer (OEM) and aftermarket opportunities. SmarTire has offices in North America and Europe.

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

An investment profile, a comprehensive online investor relations kit, SEC filings and other useful investor information regarding SmarTire Systems Inc. can be found at <http://www.hawkassociates.com/SmarTire> 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 call Ken AuYeung or Frank Hawkins of Hawk Associates at (305) 451-1888, e-mail: info@hawkassociates.com, or e-mail questions to 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 “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 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, 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.