

SmarTire Systems Inc.
Suite 150, 13151 Vanier Place
Richmond, British Columbia
Canada, V6V 2J1

T: (604) 276-9884
F: (604) 276-2350
www.smartire.com
OTCBB: SMTR



OTCBB: SMTR
NEWS RELEASE – June 12, 2006

SmarTire Products To Be Offered On Van Hool Buses

First Major European Bus Manufacturer to Select SmarTire

Richmond, British Columbia, Canada, June 12, 2006 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that Van Hool NV has selected SmarTire to supply its tire pressure and temperature monitoring systems (TPMS) on its buses and coaches.

Van Hool is Europe's largest independent bus manufacturer. Van Hool products are in service worldwide. The company exports 85% of its buses and coaches, 60% of them to Europe and an average of 600 coaches a year to the United States.

Jan Ruyts, Automotive Relations Manager of Van Hool, said, "SmarTire is on the leading edge of sensing devices with its tire pressure monitoring system. We value safety in our vehicles and this agreement with SmarTire validates our reputation for dependable, quality buses and coaches."

Nigel Hammond, Managing Director of SmarTire Europe, said, "Renowned and quality conscious Van Hool is the first large bus and coach manufacturer to partner with us in Europe. This marketing milestone certainly confirms an increasing acceptance of our products in this sector as evidenced by SmarTire's strong recent penetration of the North America bus market. Our next goal is to supply our products to all vehicles manufactured by Van Hool."

The SmartWave™ TPMS improves vehicle safety and performance by providing drivers real-time tire information while their vehicles are in motion. At a push of a button, the SmarTire system displays each tire's temperature and pressure deviation. If the system detects a loss of air pressure or abnormally high tire temperature, a bright warning light automatically alerts the driver to the condition.

About Van Hool

In 1947, Bernard Van Hool founded the present Van Hool N.V. company in Koningshooikt, Belgium, located near the city of Lier. This family business now holds a strong position on the Belgian and several other markets. Thousands of vehicles are produced annually. A high degree

of standardization in the product range, a well-considered industrial flexibility and the craftsmanship of its employees are the cornerstones of Van Hool's success.

Van Hool NV is Europe's largest independent manufacturer of buses and coaches and an important player as a manufacturer of trailers, road tankers, tank containers and others, with more than 50,000 buses and coaches and more than 75,000 commercial trailers manufactured since the companies start in 1947. Today Van Hool NV produces 1,700 buses and coaches and 4,000 commercial vehicles per year. For more information, visit <http://www.vanhool.be/>.

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.

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

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 contact 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.