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ABC Companies Selects SmarTire Products for its Buses

Another Major U.S. Bus Manufacturer Selects SmarTire

Richmond, British Columbia, Canada, September 5, 2006 -- SmarTire Systems Inc. (OTC Bulletin Board: SMTR) announced today that ABC Companies. has selected SmarTire to supply tire pressure and temperature monitoring systems (TPMS) on Van Hool motorcoaches for the U.S. Headquartered in Minnesota, ABC is the exclusive US distributor of Van Hool coaches, a global-leader in coach manufacturing.

Tim Guldin, Vice President and General Manager of ABC Parts Source, said, “SmarTire is on the leading edge of sensing devices with its tire pressure monitoring system. We constantly strive to provide value and safety, and this agreement with SmarTire validates our reputation for delivering dependable, quality buses and coaches.”

Dave Warkentin, Vice President Sales and Marketing of SmarTire, said, “We are proud to add ABC Companies to the list of companies providing Smartwave TPMS systems to the bus market. This marketing milestone builds on our recently announced Van Hool relationship and further confirms an increasing acceptance of our products in this sector as evidenced by SmarTire’s strong recent penetration of the North America bus market.”

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 including fires.

About ABC Companies

ABC Companies has long been a leader in the sales and leasing of new and pre-owned highway coaches. Expanding its product offerings to include the versatile M1000 Series mid-size as well as Van Hool transit coaches, ABC Companies now provides equipment for shuttle, transit, line haul or tour operations. ABC Service provides routine mechanical service or major repairs, collision repair service, and a parts inventory at each of five full-service facilities. ABC Parts Source supplies original OEM and quality aftermarket parts. Financing and leasing options are available from ABC Financial Services, one of the largest financial service providers in the motorcoach industry. For more information, contact ABC Companies at (800) 222-2875 or visit the company website at <http://www.abc-companies.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.

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

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.