



TIR Systems Ltd.

TSX: TIR

JANUARY 9, 2006 - 09:00 ET

TIR Systems Successfully Completes \$30.0 Million in Convertible Debenture Financing

VANCOUVER, BRITISH COLUMBIA--(CCNMatthews - Jan. 9, 2006) -

NOT FOR DISTRIBUTION TO THE U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE U.S.

TIR Systems Ltd. (TSX:TIR), a world leader in light enabling technology, announces today that it has successfully closed \$2.8 million in debentures on the same terms as the debentures previously issued and announced on November 21, 2005. For every \$1,000 of debentures purchased, investors also received warrants providing the right to purchase 200 common shares of the Company for a period of three years at a price of \$1.50 per share. With this closing, the Company has successfully raised a total principal amount of \$30.0 million pursuant to this financing structure, representing the maximum amount approved by shareholders. Of the \$2.8 million raised in this final tranche, \$75,000 was invested by an individual that is considered an insider for purposes of securities regulations.

Included in the \$30.0 million raised, was a \$4.0 million investment from Zumtobel AG, one of the world's largest lighting fixture manufacturers, and the largest in Europe, as well as a \$237,000 investment by Lighting Services Inc. ("LSI"), an established leader in high value, specification lighting products. The strength of the financial commitments received from these recognized leaders in the lighting industry clearly validates the value proposition of the LEXEL™, TIR's advanced technology solution for enabling Solid State Lighting.

Leonard Hordyk, President & CEO of TIR states, "With the successful completion of our financing, the Company now has the funding in place to capitalize on our leadership position in the development of Solid State Lighting solutions and deliver commercial products to our OEM partners, based on our groundbreaking LEXEL™ technology. The investment by Zumtobel and LSI, combined with the development agreements we have recently signed with both of these companies as well as with the Genlyte Group, one of the largest lighting fixture manufacturers in North America, provides significant momentum for the successful execution of our strategy to lead the inevitable conversion of the US\$91 billion lighting market from century-old "analogue" light sources to superior "digital" SSL technology."

The Company is also announcing today that Issa Nakhleh will step down as the Chief Strategy Officer, effective January 31, 2006.

"I am very grateful for the many significant contributions that Issa has made to TIR since joining us over five years ago, including the completion of this financing. We wish him every success in his pursuit of other opportunities," said Leonard Hordyk.

About Zumtobel AG

With production facilities in Europe, North America, Australia and Asia, and sales and consultancy centres in almost 100 countries, the Zumtobel Group is one of the few global players in the lighting industry. The Group is based in Dornbirn, Austria, and comprises two sub-groups: Zumtobel Lighting Division, with the Zumtobel Staff and Thorn lighting brands; and the TridonicAtco Group, which manufactures lighting components.

To find out more about Zumtobel AG please visit www.zumtobel.com.

About the Genlyte Group

The Genlyte Group Incorporated controls a 100% interest in Genlyte Thomas Group LLC, which is a leading manufacturer of lighting fixtures, controls, and related products for the commercial, industrial and residential markets. Genlyte Thomas sells lighting and lighting accessory products under the major brand names of Capri, Chloride Systems, Crescent, Day-Brite, Gardco, Hadco, Ledalite, Lightolier, Lightolier Controls, Lumec, Shakespeare Composite Structures, Stonco, Thomas, Vari-Lite, Wide-Lite, and Canlyte.

To find out more about the Genlyte Group (NASDAQ:GLYT), please visit www.genlyte.com.

About Lighting Services Inc.

Lighting Services Inc (LSI) is the leading independent manufacturer of track, accent, display, fiber optic, and now, LED lighting systems. Since 1958, LSI has been dedicated to designing, engineering and manufacturing lighting systems of the highest quality. LSI's reputation for creativity and innovative design, coupled with specification grade products and intelligent personalized service, has made it the manufacturer of choice among the most discriminating specifiers of lighting.

To find out more about Lighting Services Inc. please visit www.LightingServicesInc.com.

About TIR Systems Ltd.

TIR Systems Ltd., a world leader in delivering specialty lighting systems, is building the foundations for tomorrow's lighting. Through sound innovation and proven technical capability, TIR is developing, designing and marketing the core technologies that will allow Solid State Lighting (SSL) to move to the forefront of mainstream lighting.

About LEXEL™ Technology

The LEXEL™ is "the essential element for perfect lighting" and targeted to replace the conventional light bulbs used in more than 60% of the US\$91 billion general illumination market, including mainstream household and retail market segments. Today 25% of the world's electricity generated is being consumed for lighting. The LEXEL™ will deliver the same amount of light but offers massive energy savings between 50% to 90% in comparison with conventional lighting and promises to accelerate SSL adoption.

This News Release does not constitute an offer to sell or a solicitation of an offer to buy any of the debentures or warrants for sale in the United States or to U.S. Persons. The debentures, warrants and common shares issuable upon conversion of the debentures or exercise of the warrants have not been and will not be registered under the United States Securities Act of 1933, as amended (the U.S. Securities Act) or any other US State securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws, or an exemption from such registration is available.

This News Release is published as a matter of record only and does not constitute an offer to sell or a solicitation of an offer to buy any of the common shares, nor shall there be any sale of these shares in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction.

This News Release contains forward-looking statements concerning the anticipated financing and its expected impact on the Company's business. Forward-looking statements are statements about the future and include, but are not limited to, our expectations that the offering will be successful, the gross proceeds of the offering and our expectations as to the use of proceeds from the offering. Such statements are inherently uncertain, and the actual events or results could be materially different than those anticipated in those forward-looking statements as a result of numerous factors, including without limitation, the Company's need for additional future capital, which may not be available in a timely manner, or at all; as well the other risks and uncertainties affecting the Company and its business, as contained in the Company's most recent Annual Information Form and other subsequent news releases and filings with the Canadian Securities Regulatory Authorities, any of which could cause actual events or results to vary materially from the Company's expectations. Forward-looking statements are based on the beliefs, opinions and expectations of the Company's management at the time they are made, and the Company does not assume any obligation to update its forward-looking statements if those beliefs, opinions or expectations, or other circumstances should change.

The TSX has not reviewed and does not accept responsibility for the adequacy or accuracy of the content of this News Release.

CONTACT INFORMATION

TIR Systems Ltd.
J. Caren Holtby
Investor Relations Manager
(604) 473-2318
caren.holtby@tirsys.com
www.tirsys.com