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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Image Sensing Systems and MN/DOT Announce Agreement for Minneapolis Downtown Traffic Management Project

Saint Paul, Minn., February 7, 1997-- Image Sensing Systems, Inc. and the Minnesota Department of Transportation signed a contract today which calls for ISS to provide its integrated machine vision product to support a field operational test of an advanced traffic management system in the Minneapolis central business district. The project will test the feasibility of using an intelligent system of traffic signals that adapts to traffic conditions in real time. The test area includes up to 70 intersections in an integrated network of local streets, freeway ramps, HOV lanes and parking garages. ISS expects to receive \$795,000 for providing image sensors and associated engineering services and support.

A primary goal of the project is to demonstrate that video based technology can be used in an existing network of intersection signals in a cost effective and operationally efficient manner. The new machine vision product from ISS is key to the project because the City will not have to dig up the streets to install the video sensors. Mn/DOT and the City of Minneapolis also hope to demonstrate that use of an adaptive traffic signal system can reduce gridlock following incidents on the streets or freeways.

Prototype demonstration is planned for late spring with delivery of the video sensors scheduled for the fall of 1997. The project will be the first deployment of ISS's next generation video vehicle detection technology.

Dr. Spiro Voglis, CEO of ISS said, "This project gives ISS an opportunity to demonstrate how video imaging can be used to improve traffic control in a major central urban business district. It also gives our shareholders and employees an opportunity to see our newest technology in action, firsthand. And for all Minnesota residents, it shows how technology developed at the University of Minnesota can be used by private enterprise to improve a public service- traffic control."

ISS develops and markets products using video image processing technology for use in advanced traffic management systems and traffic data collection to reduce congestion and improve roadway planning. Also known as machine vision or artificial vision, video image processing uses video cameras and computers to emulate the function of the human eye and is used in a variety of industrial applications. ISS has combined its proprietary machine vision technology, consisting of complex algorithms, software, and special purpose hardware, with commercially available computer hardware and video cameras to create a system that collects, processes, and analyzes video images.

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