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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Image Sensing Systems, Inc. and SmartRoutes Systems Sign **Memorandum of Understanding**

Agreement to Combine Cutting-Edge ISS Technology and SmartRoute's Nationally Recognized High-Tech Traveler Information Service

Saint Paul, Minn., May 28, 1998-- Image Sensing Systems, Inc. (ISS) (Nasdaq SmallCap: ISNS) and SmartRoute Systems today announced that the companies have agreed to integrate Image Sensing Systems' proprietary Autoscope® systems within SmartRoute's proprietary SmarTraveler® Advanced Traveler Information Services (ATIS).

Image Sensing Systems' Autoscope wide area video vehicle detection system collects a broad range of traffic data including volume, speed, occupancy, headways, ramp queue lengths and vehicle classification. ISS has more than 2,000 Autoscope systems installed in 30 countries around the world, including many U.S. sites.

SmartRoute's SmarTraveler system provides up-to-the-minute traffic and transit reports. It is currently being used in Boston, Cincinnati, Philadelphia and Washington, D.C. Metropolitan locations scheduled to begin offering SmarTraveler Information Services in 1998 include Detroit, New York City and the Minneapolis/Saint Paul areas.

Dr. Spiro Voglis, president and chief executive officer of Image Sensing Systems, commented, "The combination of Image Sensing Systems' state-of-the-art Autoscope system and SmartRoute Systems' SmarTraveler Advanced Traveler Information Services will greatly improve the performance, flexibility and efficiency of traffic information and management processes." He continued, "ISS is excited at the potential and value this integration has for commuters and traffic managers as well as our two companies."

John Liebesny, President and Chief Technology Officer at SmartRoute Systems, added "the Autoscope System allows us to add a highly quantitative and automated dimension to our data gathering technology. This dimension is an important complement to our current SmarTraveler digital database".

Based in Saint Paul, Minnesota, Image Sensing Systems, Inc. is the world leader in products applying video imaging technology for implementation in advanced traffic management systems (ATMS), freeway incident detection and traffic data collection to help reduce traffic congestion and improve roadway planning. The Company's cornerstone Autoscope product provides traffic managers the means to reduce roadway congestion and improve roadway planning.

SmartRoute Systems, Inc., with headquarters in Cambridge, Massachusetts, is the nation's leading provider of Advanced Traveler Information Services, or ATIS. The Company works with telecommunications providers to disseminate its database of traveler information to the home, office and vehicle.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This report contains "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. There are certain factors that could cause results to differ materially from those anticipated by some of the statements made, as listed in the Management's Discussion and Analysis section of the Company's 1996 Annual Report to Shareholders.

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