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FOR IMMEDIATE RELEASE

FLOW TRAFFIC LIMITED SECURES LARGE ORDERS FOR INCIDENT DETECTION SYSTEMS TO CHINA

Saint Paul, Minn. — May 12, 2000 — Image Sensing Systems, Inc. (ISS) (Nasdaq SmallCap: ISNS) announced today that orders for the supply of close to 100 loop-based Incident Detection Systems have been received by its Hong Kong-based subsidiary, Flow Traffic Limited. The majority of Incident Detection Systems are to be used for expressways in the Chinese provinces of Xinjiang and Jiangsu. These contracts have been awarded after strong competition from both international and local manufacturers.

Johan Billow, General Manager of Flow Traffic Limited, commented, “With our recent orders for loop-based Incident Detection Systems, we are now the largest supplier of this kind of technology for Chinese expressways. The range of technologies supplied by Flow Traffic is currently satisfying the needs of Chinese authorities for the detection of incidents along new expressways.”

Flow Traffic is a supplier of a broad range of traffic management products and systems in Asia. The company, which has offices in Hong Kong, China and Thailand, was acquired by Image Sensing Systems, Inc. of St. Paul, Minnesota in April 1999.

Based in Saint Paul, Minnesota, Image Sensing Systems, Inc., the developer and marketer of Autoscope, is the world leader in products applying video imaging technology for implementation in advanced traffic management systems (ATMS). Autoscope functionality includes intersection detection, automated freeway incident detection and traffic data collection to help reduce traffic congestion, fuel consumption, air pollution, travel time, enhance motorist safety and improve roadway planning. ISS has more than 3,000 Autoscope systems, processing images from more than 10,000 traffic detection cameras, installed in more than 30 countries around the world, including a large number of U.S. cities. The Company is particularly suited to provide technical solutions to the emerging ITS market worldwide.

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 Company’s 1999 Annual Form 10-KSB.

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