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NEWS RELEASE

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FOR IMMEDIATE RELEASE

IMAGE SENSING SYSTEMS, INC. AWARDED LARGEST INTERNATIONAL CONTRACT TO DATE

SAINT PAUL, Minnesota - Image Sensing Systems, Inc. (ISS) (Nasdaq SmallCap: ISNS) announced today that its Asian subsidiary Flow Traffic Limited has received an order from Seoul, Korea for the supply of Autoscope 2004 video vehicle detection systems and traffic cameras. The Seoul Inner Ring Road Project will deploy Autoscope camera systems in more than 200 locations along the 40.1 km long freeway. The systems will be used for incident detection and data collection. This will be the largest Autoscope installation outside of the United States to date.

Johan Billow, General Manager of Flow Traffic Limited, commented, "The Seoul Inner Ring Road Project is to our knowledge the largest implementation of video image processing for vehicle detection in Asia. We are extremely pleased that Autoscope has been selected by the city of Seoul and we congratulate our Korean cooperation partners Entel Systems and SK C&C. The success of Autoscope video detection systems on the Seoul Olympic Expressway project, which was awarded to ISS in 1995, was a contributing factor to securing this considerably larger order."

All equipment for this system will be delivered by the third quarter and installation will be completed before the end of the year.

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 ISS 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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