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**FOR IMMEDIATE RELEASE**

**IMAGE SENSING SYSTEMS' CHAIRMAN ACCEPTS  
NEW SIX-YEAR CONTRACT**

**Saint Paul, Minn. — June 29, 2000** — Image Sensing Systems, Inc. (ISS) (Nasdaq SmallCap: ISNS) Board of Directors announced today that its Chairman and Chief Executive Officer, William L. Russell has accepted a new six-year contract, the terms of which were not disclosed.

Since joining ISS in June 1998, the ISS share price has increased from \$3.00 per share to a high of \$11.50 per share on April 13, 2000, an overall increase of 283 percent, of which a 108 percent increase was reported over the past 12 months. Russell was also the key architect of ISS 6 for 5 stock split in April 2000, and had a major impact upon the firm's 38 percent increase in earnings per share from 1998 to 1999, and 42 percent increase in revenues for the same period.

On June 23, ISS announced receipt of its largest international contract to date, to provide 200 Autoscope systems on the Seoul Inner Ring Road Project in Korea. In April 1999, ISS acquired Flow Traffic Limited, providing a strong distribution capability for a variety of traffic-related products throughout Asia.

ISS Board Member and Immediate Past Chairman, Dr. Panos Michalopoulos commented, "Mr. Russell's continued tenure at the helm of ISS and the Autoscope family of products and services should provide our customers and shareholders with the assurance that their interests will continue to be of foremost importance. The company is committed to retaining its worldwide market leading position by ensuring substantial added value in both quality and performance."

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Mr. Russell currently serves as Chairman of Section 3TS of the National Electrical Manufacturer's Association (NEMA), and as a Board Member of the Intelligent Transportation Society America Association, Minnesota GuideStar, and as a member of the ITS Standards Committee of the Institute of Transportation Engineers (ITE). Mr. Russell has more than 30 years of traffic and transportation industry experience.

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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