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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Flow Traffic Ltd. Awarded Large Autoscope Order for Olympic Highway Extension Project in Seoul, Korea

Saint Paul, Minn., March 23, 2004--Image Sensing Systems, Inc. (ISS) (NASDAQ Small Cap: ISNS) announced today that its wholly-owned Asian subsidiary, Flow Traffic Ltd., received an order to supply Autoscope[®] video vehicle detection systems for the Seoul Olympic Highway extension project. A total of 216 Autoscope Solo[®] Pro NC systems and 182 AIS Cameras[™] are to be delivered in May for installation during the summer months.

Autoscope video vehicle detection systems were first installed in 1997 as part of the Olympic Highway Traffic Information System. They have, since then, been processing video from 34 cameras with good results, providing vehicle counts and traffic speed for the calculation of travel time, and video of current traffic conditions. As a result, the City of Seoul decided to extend video vehicle detection to cover the entire length of this heavily congested highway through the heart of the city. The Autoscope systems will, by the end of the year, be processing traffic data from more than 800 cameras in Korea, making the country the largest market for the Autoscope system outside of the United States.

Johan Billow, Managing Director of Flow Traffic Ltd., commented, "We are very pleased to be able to add to our success in the Korean market. Autoscope has managed to become the market leader for video image detection in Korea despite strong competition from local manufacturers. This is the biggest order we have received from Korea since the Seoul Inner Ring Road contract in the year 2000. We are very grateful for the faith our Korean customers keep showing in our technology and service."

Headquartered in St. Paul, Minnesota, Image Sensing Systems, Inc. combines expertise in image processing, hardware and software engineering, and communications to develop video vehicle detection systems for traffic management and control applications. The Autoscope vehicle detection system is the world leader in video detection for advanced traffic management systems for highways, tunnel incident detection, intersection control, and traffic data collection. The Autoscope system provides traffic managers the means to reduce roadway congestion, improve roadway planning, and improve cost efficiencies.

Safe Harbor Statement: Statements made in this release concerning the Company's or management's intentions, expectations, or predictions about future results or events are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements reflect management's current expectations or beliefs, and are subject to risks and uncertainties that could cause actual results or events to vary from stated expectations, which variations could be material and adverse. Factors that could produce such a variation include, but are not limited to, the following: the inherent unreliability of earnings, revenue and cash flow predictions due to numerous factors, many of which are beyond the Company's control; developments in the demand for the Company's products and services; relationships with the Company's major customers and suppliers; unanticipated delays, costs and expenses inherent in the development and marketing of new products and services; the impact of governmental laws and regulations; and competitive factors. Our forward-looking statements speak only as of the time made, and we assume no obligation to publicly update any such statements. Additional information concerning these and other factors that could cause actual results and events to differ materially from the Company's current expectations are contained in the Company's Form 10-KSB for the year ended December 31, 2002.

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