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NEWS RELEASE

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FOR IMMEDIATE RELEASE

Autoscope Video Vehicle Detection Systems Successfully Deployed in Time for the 2004 Olympic Games in Athens, Greece

Saint Paul, Minn., August 24, 2004--Image Sensing Systems, Inc. (ISS) (NASDAQ Small Cap: ISNS) announced today that the previously announced (March 1, 2004) order for 75 Autoscope Video Vehicle Detection Systems were successfully integrated into Athens' new state-of-the-art traffic management system prior to the start of the 2004 Olympic Games.

The Autoscope cameras were installed along major highways and intersections throughout the Greek capital. The video is transmitted over fiber optic cable to one of two new traffic management centers where it is automatically processed by the company's Autoscope Solo Pro NC video detection products. The vehicle detection system provides traffic incident detection and collects traffic data for use in managing Athens' heavy congestion.

Prior to the Olympics, a number of news media articles concerning security delays featured a photo of an Autoscope camera overlooking Athens' traffic. This was misleading because the photo was not associated with security systems supplied for the Olympics, nor does ISS supply products to the CCTV security industry.

"While we were pleased to see a photo of an Autoscope camera at work in Athens in newspapers worldwide, we are concerned that the accompanying articles, which were focused on unrelated security-camera systems and whether they would be installed in time for the games, will confuse our customers", said Craig Anderson, VP Marketing & Technical Services of ISS. "We are happy to report that the Autoscope systems were deployed in time for the 2004 Olympics. In addition, they will continue to operate for many years afterwards enabling transportation officials to improve traffic flow throughout Athens for its citizens and visitors alike."

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, 2003.

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