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FOR IMMEDIATE RELEASE

North Arrows LLC Leads and Completes a \$6.7 million investment in ISE Corporation, A Leading Manufacturer of Hybrid-Electric Drive Systems for Buses and Trucks

San Diego, CA and Upper Saddle River, NJ (December 8, 2004)— ISE Corporation (“ISE”) and North Arrows have announced today that North Arrows has lead and completed a \$6.7 million equity investment in ISE, a leading manufacturer of hybrid-electric drive systems for buses and trucks with headquarters and production facilities based in San Diego, CA. The investment in ISE, a privately held company, included a \$5.5 million preferred stock investment by an affiliate of North Arrows LLC, North Arrows-ISE Investment LLC, a \$500,000 preferred stock investment from existing ISE investors, and the conversion of approximately \$700,000 of convertible debt into preferred stock.

ISE designs, develops and assembles fully integrated hybrid-electric drive systems and components for large buses, trucks and military vehicles. Hybrid-electric drive systems usually power a vehicle by using a conventional fossil-fueled engine in series or parallel to an energy storage device and electric motor. ISE designs and develops control systems and software which govern and optimize the use of energy in hybrid-electric drive systems. ISE combines its control systems with electric motors, generators, and other components purchased from various suppliers, integrating all of the parts into a complete “ThunderVolt™” hybrid-electric drive system that ISE sells to bus and truck manufacturers. ISE drive systems can utilize virtually any type of fuel.

Michael Simon, Co-CEO and Chairman of the Board of ISE stated: “We are delighted with the relationship that has been established with North Arrows and believe we are poised for growth as one of the industry leaders. We believe our line of products provide unmatched flexibility and innovation in the industry.” Co-CEO and President David Mazaika added: “ISE’s heavy duty hybrid drive systems have demonstrated exceptional performance and solid reliability in buses, trucks, and military vehicles. We believe we now have the strong financial backing to support our volume production expansion, establishment of a strong service network, and intensified product R&D efforts to ensure

our customers always have the best systems available.” Simon and Mazaika were the two principal founders of ISE Research Corporation, the predecessor to ISE, in 1995.

“We believe this investment in ISE and its talented management and engineering team will help propel ISE to the next level of growth” stated David Goodman, a North Arrows’ Principal. “We, along with ISE management, believe that the hybrid drive market will grow in leaps and bounds over the next five years as emphasis is placed on decreased toxic emissions for transit buses and increased fuel efficiency for all buses and trucks.”

Since an initial equity investment in 2001, ISE has established itself as one of the leading manufacturers of hybrid-electric drive systems for large buses, trucks and military vehicles. ISE has secured firm orders from major bus manufacturers for hybrid-electric drive systems for more than 75 transit buses, with options that could increase the total to more than 160. Buses using the commercial version of ISE’s hybrid-electric drive system are currently scheduled for delivery to cities throughout California starting in January, 2005. ISE’s gasoline hybrid system, unique in the heavy vehicle drive system industry, features ultra-low emissions and significantly improved fuel efficiency over traditional diesel drive systems without any sacrifice in performance. ISE also makes an efficient diesel hybrid drive system and produces hydrogen-fueled hybrid drive systems utilizing both fuel cells and hydrogen-burning internal combustion engines.

The proceeds of the equity investment in ISE will be predominantly used for increased marketing activities, upgrading production facilities, working capital needs generally related to the production of hybrid-electric drive systems, and other general corporate purposes.

About ISE Corporation:

ISE Corporation, based in San Diego, is a leading supplier of hybrid drive systems and components for heavy-duty vehicles such as buses, trucks, trams, airport equipment, and military vehicles. ISE is a leader in electric, hybrid-electric, and fuel cell technologies, and the preferred U.S. distributor for Siemens ELFA electric and hybrid-electric drive components. For more information on ISE and its high-performance, environmentally friendly vehicle products, please contact Matt Umbs at (619) 287-8785 ext. 150, or visit www.isecorp.com.

About North Arrows LLC:

North Arrows LLC, based in Upper Saddle River, NJ, is a limited liability company specializing in investments through affiliated companies in various industries related to power generation and energy technology. The four principals of North Arrows LLC, David Goodman, Don Krom, Steve Strait, and Joe Polselli, were part of the former executive group and significant stockholders of United American Energy Corp. United American Energy Corp. was a diversified independent power producer that generated electricity from power plants fueled by coal, natural gas, hydropower, and municipal

solid waste. After a 23 year successful history of growth and assets of \$470 million, United American Energy Corp. was sold in December 2003 to a financial fund. For more information on North Arrows, please contact Joe Polselli at (201) 995-1808 ext. 12.

Safe Harbor statement: Certain statements contained in this press release are forward-looking in nature. These statements can be identified by the use of forward-looking terminology, such as "believes," "expects," "may," "will," "should," or "anticipates" or the negative thereof or comparable terminology, or by discussions of strategy. ISE's business and operations are subject to a variety of risks, uncertainties and other factors. Consequently, actual results may materially differ from those projected and/or stated by any forward-looking statements. Such risks, uncertainties and other factors that could cause actual results to differ from those projected include, but are not limited to, the following: (1) the need for increased ISE investment to support product and new services introductions, (2) ISE's ability to raise additional capital when and if needed, and (3) market acceptance of ISE's products and services. ISE and North Arrows make no commitment to revise or update any forward-looking statements in order to reflect events or circumstances after the date any such statement is made.

ThunderVolt® is a registered trademark of ISE Corporation. Other brand or product names are registered trademarks or trademarks of their respective holders.

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