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RAE Systems Launches Low Cost Gamma Radiation Detector for Law Enforcement Personnel

SUNNYVALE, Calif. – January 25, 2005 – RAE Systems Inc. (AMEX: RAE), a leading global developer and manufacturer of rapidly-deployable, multi-sensor chemical and radiation detection monitors and networks for homeland security and industrial applications, today announces the launch of GammaRAE II for only \$995.00. Designed as a front-line security device, this new product provides life critical, real-time detection of hidden radiation sources and delivers instantaneous feedback to law enforcement personnel such as municipal police departments, border check-point personnel and cargo port screeners.

"Law enforcement, customs officials and border checkpoint personnel face many unknowns on a daily basis," said Bob Durstenfeld, director of corporate marketing at RAE Systems. "The threat of radiation exposure, whether by weapons, nuclear power materials, or medical waste is always present. With flexible alarms, rugged waterproof construction, and an affordable price point, GammaRAE II provides front-line law enforcement personnel an important tool to detect the illicit trafficking of radioactive materials."

The GammaRAE II is the only waterproof unit available for under \$1,000. With flexible alarm configurations, GammaRAE II gives law enforcement personnel a gamma radiation detection response in under a half second, with bright flashing LEDs as well as loud audible and vibration alarms. Law enforcement personnel can use the GammaRAE II either as a personal monitor or as a handheld radiation detector. When stealth operations require so, law enforcement personnel can disable the audible and visual alarms and rely solely on the vibration alarm.

The GammaRAE II uses a sensitive cesium iodide (CsI) scintillator to provide faster than a half second response to radiological threats. While the GammaRAE II is not designed as a true energy-compensated



dosimeter, it does accumulate radiation dosage from the time it is turned on. Data can be stored cumulatively or cleared and reset for each usage period.

GammaRAE II is priced at \$995 and is available for pre-ordering on January 25, 2005 with first shipments scheduled for April 2005. For further details, please call 1-877-723-2878 or e-mail raesales@raesystems.com.

About RAE Systems

RAE Systems is a leading global developer and manufacturer of rapidly deployable, multi-sensor chemical detection monitors and networks for homeland security and industrial applications. In addition, RAE Systems offers a full line of portable single-sensor chemical and radiation detection products. RAE Systems' products enable the military and first responders such as firefighters, law enforcement and other emergency management personnel to detect and provide early warning of weapons of mass destruction and other hazardous materials. Industrial applications include the detection of toxic industrial chemicals, volatile organic compounds and petrochemicals. RAE Systems' products are used by many U.S. government agencies, including the Department of Homeland Security, the Department of Justice, and the Department of State, as well as all branches of the U.S. military, and by numerous city and state agencies. Our end users also include many of the world's leading corporations in the airline, automotive, computer and oil industries. Our products are used in civilian and government atmospheric monitoring programs in over 50 countries. For more information about RAE Systems, please visit www.RAESystems.com.

Safe Harbor Statement

This press release contains "forward-looking" statements, as that term is used in Section 21E of the Securities Exchange Act of 1934. Forward-looking statements are denoted by such words as "expected to increase". These types of statements address matters that are subject to risks and uncertainties, which could cause actual results to differ materially. Factors that could cause or contribute to such differences include, but are not limited to, the general economic and industry factors and receptiveness of the market to RAE and its products. In addition, our forward-looking statements should be considered in the context of other risk factors discussed in our filings with the Securities and Exchange Commission, including but not limited to our annual report on Form 10-K and Form 10-Q filings, available online at http://www.sec.gov. All forward-looking statements are based on information available to the company on the date hereof, and the company assumes no obligation to update such statements.