



IRVINE SENSORS
CORPORATION

IRVINE SENSORS CORPORATION NEWS RELEASE

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IRVINE SENSORS ANNOUNCES GOVERNMENT CONTRACTS Fiscal 2004 awards and notices of awards over \$19 million

FOR IMMEDIATE RELEASE

COSTA MESA, CALIFORNIA -- May 10, 2004 -- Irvine Sensors Corporation (NASDAQ: IRSN, Boston Exchange: ISC) announced today that it has received new government contracts, add-ons to existing government contracts and notices of pending new government contracts aggregating over \$19 million in the first seven months of its fiscal 2004. Approximately \$9.4 million of these grants have already been awarded, with the balance projected to be awarded before the end of the current fiscal year. The pending awards are expected to make a contribution to revenues in the current fiscal year, as well as subsequent fiscal years.

Robert G. Richards, Irvine Sensors CEO said, "We remarked in our last quarterly web cast that we thought our contract research and development revenue could reach record levels this fiscal year. With only about \$4.8 million of such revenue in the first half, such an outcome would require us to achieve significant growth in this part of our business in the second half of fiscal 2004. The new and pending contracts we are announcing today are the fuel for that kind of growth and for our belief that we will have a strong backlog as we enter fiscal 2005."

Irvine Sensors Corporation, headquartered in Costa Mesa, California, is primarily engaged in the sale of stacked chip assemblies and research and development related to high density electronics, miniaturized sensors and cameras, optical interconnection technology, high speed routers, image processing and low-power analog and mixed-signal integrated circuits for diverse systems applications.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: This message may contain forward-looking statements based on our current expectations, estimates and projections about our industry, management's beliefs, and certain assumptions made by us. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," "may," "will" and variations of these words or similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, our expectations regarding the award, performance and completion of our government contracts and the timing or amount of revenue to be generated under any new or add-on contracts. . Such statements speak only as of the date hereof and are subject to change. We undertake no obligation to revise or update publicly any forward-looking statements for any reason. These statements are not guarantees of future performance and are subject to certain risks, uncertainties and assumptions that are difficult to predict. Therefore, our actual results could differ materially and adversely from those expressed in any forward-looking statements as a result of various factors.

Important factors that may cause such a difference include, but are not limited to, the timing of government procurement activities, the pre-contract financial capability reviews by government agencies, the contract funding priorities of such agencies; the competitive funding pressure on R&D contract funding resulting from demands of current military operations; our ability to successfully perform under any government contracts; capacity constraints we may face; and the general economic and political conditions and specific conditions in the markets we address. Further information on Irvine Sensors Corporation, including additional risk factors that may affect our forward looking statements, is contained in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q, our Current Reports on Form 8-K and our other SEC filings that are available through the SEC's website (www.sec.gov).

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