



IRVINE SENSORS
CORPORATION

IRVINE SENSORS CORPORATION NEWS RELEASE

CONTACT: Investor Relations
Irvine Sensors Corporation
714-444-8718
investorrelations@irvine-sensors.com

FOR IMMEDIATE RELEASE

IRVINE SENSORS RECEIVES NEW GOVERNMENT CONTRACT AWARDS Aggregate New Bookings for 3rd Fiscal Quarter Approximately \$9.5 Million

COSTA MESA, CALIFORNIA -- June 26, 2006 -- Irvine Sensors Corporation (NASDAQ: IRSN, Boston Exchange: ISC) announced today that, in its current fiscal quarter, it has received several new government research and development contracts and incremental add-ons to existing government contracts aggregating approximately \$9.5 million in value, of which approximately \$7.3 million is fully funded. The largest award in the third quarter has been the \$5.6 million Cognitive Systems contract announced in May. Approximately \$1.1 million of the third quarter aggregate relates to Irvine Sensors' infrared camera products and includes both development funding and product orders. The recent awards are expected to contribute to revenues in both fiscal 2006 and fiscal 2007.

John C. Carson, Irvine Sensors CEO said, "These awards are not only a welcome addition to our backlog, they support several of our key developmental and product initiatives. We are pleased to see that the procurement log jam resulting from the lateness of this year's Federal Budget has finally started to break."

Irvine Sensors Corporation (www.irvine-sensors.com), headquartered in Costa Mesa, California, is a vision systems company engaged in the development and sale of miniaturized infrared and electro-optical cameras, image processors and stacked chip assemblies, the manufacture and sale of optical systems and equipment for military applications through its Optex subsidiary and research and development related to high density electronics, miniaturized sensors, optical interconnection technology, high speed network security, 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 projected revenues, the funding and impact of our new government contracts and contract add-ons, and our ability to meet the technical objectives of these contracts and contract add-ons. 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, our ability to develop, introduce, manufacture and achieve broad market acceptance of products incorporating our advanced technologies; the unforeseen impact of new technologies introduced by our competitors; capacity constraints and manufacturing challenges we may face; changes in governmental agencies' funding priorities and procurement procedures; the competitive funding pressure on federal research and development budgets resulting from demands of current military operations; our ability to successfully perform under any government contracts; the ability of our subcontractors to meet their developmental objectives related to our programs; 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).