



NEWS RELEASE

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

IRVINE SENSORS FUNDED TO DEVELOP COMMERCIAL ACOUSTIC IMAGING SENSOR

FOR IMMEDIATE RELEASE

COSTA MESA, CALIFORNIA -- March 7, 2007 -- Irvine Sensors Corporation (NASDAQ: IRSN, Boston Stock Exchange: ISC) announced today that it has received an approximate \$1.1 million contract from an original equipment manufacturer ("OEM") to develop an acoustic imaging sensor for a commercial industrial application. The development is scheduled for completion within ten months to meet the potential product introduction schedule contemplated by the OEM sponsor.

John Carson, Irvine Sensors CEO, said, "Our long development history related to sensors for military applications has equipped with us extensive expertise regarding numerous sensor types, including acoustic imaging devices that create pictures from reflected sound. That expertise has now led to a funded entry into a possible commercial market. If this initiative leads to a successful venture, it may open the door for our entry into other commercial sensor markets."

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 expectations regarding our ability to successfully meet the objectives of our acoustic sensor development contract and our ability to expand into other commercial sensor markets. 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, our ability to successfully complete this contract and design and develop sensors suitable for our OEM sponsor; the ability of our sponsor to successfully enter the target market and the demand for the OEM's products that incorporate our sensors; our ability to satisfy production requirements of the OEM sponsor on a timely basis and cost-effectively manufacture these sensors; the availability of components for our sensors; qualification, availability and pricing of competing products and technologies and the resulting effects on sales and pricing of our products; the timing of qualification of our products for other customers; our ability to timely and accurately predict market requirements; the volume of our product sales and pricing concessions on volume sales; the quality of our products; the effectiveness of our expense and product cost control and reduction efforts; the level of orders received that can be shipped in a fiscal quarter; our ability to market our capabilities to other potential commercial sensor applications and the general economic and political conditions and specific conditions that may impact potential markets for commercial sensors. 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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