



## NEWS RELEASE

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### **IRVINE SENSORS RECEIVES \$1M TO DEVELOP SECURITY SYSTEM FOR ELECTRONICS**

FOR IMMEDIATE RELEASE

COSTA MESA, CALIFORNIA -- August 8, 2007 -- Irvine Sensors Corporation (NASDAQ: IRSN, Boston Stock Exchange: IRSN) today announced receipt of an approximate \$1 million government contract to develop a system to protect high value and sensitive electronics and software from piracy and reverse engineering. The new contract is a follow on to prior work done by Irvine Sensors to design an ultra high speed, stacked processing module that can enable state-of-the-art encryption and decryption technologies. In addition to potential government applications, Irvine Sensors believes that the enhanced security expected to be provided by its proprietary system will also be highly desired by commercial users with significant investments in electronics systems and software. If developmental milestones are met on schedule, the Company hopes to be able to introduce initial commercial products based on its technology in the summer of 2008.

Irvine Sensors Corporation ([www.irvine-sensors.com](http://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 meet the developmental milestones of our new contract. 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 meet potential customers' operational requirements for systems based on our technology; our ability to competitively price products based on our technology; the ability of our suppliers to meet our parts requirements; unknown competitive technologies that may emerge during the course of our development, and the general economic and political conditions and specific conditions that may impact potential markets for our products that incorporate our technology. 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](http://www.sec.gov)).

Approved for public release; distribution is unlimited. 07-MDA-2749 (07 AUG 07)

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