



## NEWS RELEASE

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## FOR IMMEDIATE RELEASE

### **IRVINE SENSORS' RECENT PHASE 2 SBIR AWARDS TOTAL \$3.2 MILLION**

COSTA MESA, CALIFORNIA – November 8 2007 -- Irvine Sensors Corporation (Nasdaq: IRSN) announced today that it has received four Phase 2 Small Business Innovation Research (“SBIR”) awards over the past 5 months aggregating \$3.2 million in contract value. These contracts were won in competition with other Phase 1 SBIR contractors for innovations in electronics cooling, power storage to replace batteries, ultra-miniature night vision viewers, and electronics anti-tamper devices. All of the awards are funded by various government units with identified defense applications for the respective technologies. However, one of the selection criteria for Phase 2 SBIR awards is the ability to also find commercial markets for the developed technology, and consistent with that aim, Irvine Sensors has identified and plans to pursue near-term commercialization opportunities.

Two of the recent SBIR Phase 2 awards involve development of Micro Electro-Mechanical Systems {“MEMS”) devices. The most recent of these SBIR MEMS awards, received in October, addresses the key issue of heat dissipation, which has become an increasingly severe problem for both commercial and defense electronics as electronics chips have become faster and more powerful. Irvine Sensors has conceived and plans to develop a proprietary MEMS-based micro pump to drive cooling fluid through micro channels in the electronic devices at low pressure as opposed to high pressures associated with present solutions, which require correspondingly higher power.

A second MEMS SBIR Phase 2 award involves the development of a proprietary Irvine Sensors’ answer to double A battery replacement, involving a novel, miniature combustion engine that uses butane or other easily available combustible liquids expected to provide higher energy for longer periods of time than lithium-ion technology. This

technology is anticipated to have far-reaching applications if successfully developed and produced in volume.

A third recent SBIR Phase 2 award involves an extension of Irvine Sensors' proprietary infrared camera technology to further levels of miniaturization. The specific developmental goal for that contract is to exploit Irvine Sensors' high density 3D electronics technology and expertise to provide a several-fold size and weight reduction for night vision goggles and other viewers, which should make them much more comfortable to wear for both defense applications and such potential commercial applications as industrial security and fire fighting.

The fourth recent SBIR Phase 2 award was the one announced in August 2007 involving the development of a system to protect high value and sensitive electronics and software from piracy and reverse engineering. Keeping adversaries and competitors from reverse engineering information from electronics devices is rapidly becoming an industry-wide hot button for both military and commercial users.

All but the first of these SBIR contracts were included in the year-ending backlog announced on October 22, 2007.

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.

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**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," "thinks", "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 developmental objectives of our recent SBIR Phase 2 awards and achieve broad commercialization of such technologies. 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 attract commercial sponsorship for any or all of the technologies we are developing under our SBIR Phase 2 awards; the impact of our working capital limitations on our ability to achieve the goals of our SBIR Phase 2 contracts: our ability to specify, develop, complete, introduce, market and manufacture new technologies and products in a cost-effective and timely manner; evolving technology and industry standards, and our ability to achieve broad market acceptance of products incorporating our technologies; adapt to and integrate any necessary changes in our planned development and commercialization activities to comply with such new technologies or standards; the availability and pricing of competing technologies and products and other competitive pressures; the effects of international conflicts, natural disasters, public health emergencies and other events beyond our control; and the general economic downturn, and potential impact of other economic and political conditions and specific conditions that may impact our operations. 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)).

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