



NEWS RELEASE

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IRVINE SENSORS AND APPLIED RESEARCH TEAM FOR UNMANNED AIR APPLICATIONS

FOR IMMEDIATE RELEASE

COSTA MESA, CALIFORNIA -- November 27, 2007 -- Irvine Sensors Corporation (NASDAQ: IRSN) today announced that it has entered into a Memorandum of Agreement (“MOA”) memorializing a teaming arrangement with Applied Research Associates, Inc., a diversified product and technical services company. Pursuant to the MOA, Irvine Sensors and Applied Research plan to jointly pursue business opportunities involving the integration of thermal and visible cameras on very small unmanned air systems (“UASs”). Applied Research is the manufacturer of the Nighthawk™ micro UAS, initial quantities of which are currently deployed in combat operations.

The Nighthawk is a UAS the size of a model airplane that utilizes advanced composite materials to achieve very light weight while still carrying a useful payload. It is presently configured to be man-launched. Irvine Sensors and Applied Research plan to upgrade the Nighthawk’s capability through integration of Irvine Sensors’ proprietary thermal and visible cameras and addition of such features as launching from vehicles and secure wireless transmission. Applied Research and Irvine Sensors have recently successfully demonstrated the ability of the Nighthawk to be launched from a tube, such as would be required for mounting on combat vehicles. Under the teaming arrangement, Irvine Sensors will act as prime contractor for contracts involving Nighthawk-based applications for use on U.S Army and U.S. Marine Corps mounted combat vehicles, with Applied Research serving as subcontractor. For other Nighthawk-based applications, the roles will be reversed, with Applied Research serving as prime contractor and Irvine Sensors as subcontractor. If other application opportunities emerge from the teaming arrangement, the contractual relationships will be determined on a case-by-case basis.

John Carson, Irvine Sensors CEO, said “Our proprietary camera technology offers a unique combination of light size and weight, low power and good resolution. We also have pioneered the packaging of advanced electronics in highly compact forms. Applied Research’s proprietary UAS technology offers a unique combination of light weight, carrying capacity and structural flexibility. The synergy between us is compelling.” Jim Shinn, Senior V.P. of ARA added, “We are very pleased to team with ISC. We expect the combination of ARA’s Nighthawk and ISC’s thermal imaging to provide users a powerful combination of UAS and high quality images. In fact, we jointly believe that the integration of all this can offer a capability unmatched by other small UASs and position our team to be strong competitors in this growing and important market.”

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.

Applied Research Associates, Inc. (www.ara.com), headquartered in Albuquerque, New Mexico, is a diversified provider of research, engineering, technical support and specialty products for defense, aerospace, homeland security, transportation and commercial 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," "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 integrate our camera and electronics technology into the Nighthawk UAS. 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 satisfy the production requirements of potential micro UAS contracts on a timely and cost-effective basis; the availability of components for our camera products intended for integration into micro UAS products; the working capital available to support orders resulting from any micro UAS bids; military factors impacting the demand for small UAS applications; impact of presently unknown competitive alternatives to our planned Nighthawk upgrade; and the general 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).

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