



NEWS RELEASE

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FOR IMMEDIATE RELEASE

**IRVINE SENSORS AND SENIOR LENDERS STRIKE DEAL TO FACILITATE GROWTH
All Debt Service Deferred**

COSTA MESA, CALIFORNIA – November 30, 2007 -- Irvine Sensors Corporation (Nasdaq: IRSN) today announced balance sheet and growth enhancement through renegotiated agreements with senior lenders. Under the agreements, the maturity date and payment obligations for all debt service due to senior lenders are extended to December 30, 2009, resulting in deferral of approximately \$7 million of debt service in Irvine Sensors' fiscal 2008 year and over \$12 million in fiscal 2009, thus, freeing up substantial cash flow for other uses and improving working capital. In consideration for this restructuring, Irvine Sensors issued non-interest bearing promissory notes to senior lenders in the aggregate principal amount of approximately \$1.1 million, maturing on December 30, 2009. In addition, as a part of this restructuring, the Company no longer has any obligation to its senior lenders to register any of their securities or for any related liquidated damages that may have accrued or might accrue in the future. Potential default conditions have also been eliminated. Additional information on these transactions is disclosed in a Form 8-K, which is concurrently being filed by the Company.

John Carson, CEO, explains, "This restructuring should allow us to concentrate resources on the execution against our record backlog and to pro-actively explore other opportunities for growth. It is particularly gratifying that our senior lenders also recognized the potential of these actions and worked with us to pursue mutual goals."

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," "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, the impact of our restructuring and our expectations regarding our growth opportunities and ability to execute against our backlog. 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 working capital limitations, even after the restructuring of our debt; the volatility of our stock price and market forces affecting the general availability of financing to enhance our working capital; our ability to execute on our backlog and successfully meet the shipping schedules associated with such backlog; our ability to satisfy the production requirements of our contracts with government and other customers on a timely and cost-effective basis; the availability of components for our products and sufficient working capital to acquire such components; the amount of orders that can be manufactured and shipped in a given fiscal period; government budgetary considerations and the timing of government billing and procurement practices; the timing, rescheduling or cancellation of significant customer orders or deliveries; our ability to secure additional government contracts and expand our revenues; our ability to identify and manage other growth opportunities and to specify, develop, complete, introduce, market and manufacture new technologies and products in a cost-effective and timely manner; the impact of evolving technology and industry 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 and political 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).