



NEWS RELEASE

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IRVINE SENSORS PAYS OFF \$4 MILLION OF SENIOR DEBT & INTEREST IN EXCHANGE FOR CONVERTIBLE PREFERRED STOCK

FOR IMMEDIATE RELEASE

COSTA MESA, CALIFORNIA -- April 21, 2008 -- Irvine Sensors Corporation (NASDAQ: IRSN) today announced that it has retired \$4 million of senior debt and deferred interest in exchange for the issuance of \$4 million of non-voting convertible preferred stock bearing a cumulative 10% annual dividend that is not redeemable by the holders. As such, the newly issued convertible preferred stock is expected to be accounted for as an equity instrument that will contribute to Irvine Sensors' stockholders' equity. The preferred stock is convertible at \$30.00 for 100 shares of common stock, an above-market price when the binding letter of intent for the transaction was entered into.

John Carson, Irvine Sensors President and CEO, said "Once again our senior lenders have demonstrated their support in a concrete manner. This debt retirement strengthens our balance sheet at a timely moment."

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.

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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," "think", "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 review of our proposed accounting treatment of our convertible stock transaction. 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, 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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