



NEWS RELEASE

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FOR IMMEDIATE RELEASE

START-UP PRODUCTION OF NEW IRVINE SENSORS THERMAL IMAGING PRODUCTS SPECIFIED IN 2009 DEFENSE APPROPRIATIONS ACT

COSTA MESA, CALIFORNIA – October 21, 2008 -- Irvine Sensors Corporation (Nasdaq: IRSN) announced today that the 2009 Defense Appropriations Act, which was signed into law on October 1, 2008, includes line-item funding aggregating \$2.4 million to start low-rate production of new advanced thermal imaging products to be built by Irvine Sensors, in conjunction with strategic partners, for use in military applications. Details of the new products have not yet been publicly released. Irvine Sensors expects to coordinate its planning with its strategic partners to allow for rapid start-up of the new production once the allocated funds have been added to existing Irvine Sensors' contracts.

John Carson, Irvine Sensors' Chairman and CEO, said, "This earmarked funding should help our strategic team get some exciting new products in the hands of users in the field as quickly as possible. If the reaction from such users is what we expect, important new markets could be opened for us."

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 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," "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 impact of the line item funding and market acceptance of the Company's products and 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, the ability of the Company and its strategic partners to successfully meet the requirements of government customers for the planned new products; our ability to successfully coordinate our strategic teams; budgetary issues, constraints and funding delays, as well as market conditions, international conflicts, natural disasters and other events beyond our control that might divert funds allocated under the 2009 Defense Appropriations Act to other purposes, the availability of sufficient working capital to support fulfillment of our contracts; our ability to resolve technological challenges, the impact of competitive products and technologies, our ability to raise additional debt or equity financing; general market conditions; 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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