



IRVINE SENSORS
CORPORATION

IRVINE SENSORS CORPORATION NEWS RELEASE

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FOR IMMEDIATE RELEASE

COURT PRELIMINARILY APPROVES SETTLEMENT OF IRVINE SENSORS CLASS ACTION LITIGATION Settlement Hearing of Insurance-funded agreement set for June 7, 2004

COSTA MESA, CALIFORNIA – March 5, 2004 -- Irvine Sensors Corporation (Nasdaq: IRSN, Boston Stock Exchange: ISC) today announced preliminary Court approval of the settlement of class action lawsuits that had been filed in 2002 against it, certain of its current and former officers and a officer of one of its former partially owned subsidiaries, Silicon Film Technologies, Inc. ("SFT"), in connection with development, production and marketing activities by SFT. The settlement was reached without any admissions as to the merits of either plaintiffs' or defendants' positions. The amount of the proposed settlement, \$3.5 million, is within insurance coverage limits and will be paid entirely by Irvine Sensors' insurance carrier. The Court has set June 7, 2004 as the date for a Settlement Hearing, which is expected to result in a final ruling and a determination of the amount of allowable legal fees.

Irvine Sensors Corporation, headquartered in Costa Mesa, California, is primarily engaged in the sale of stacked chip assemblies and research and development related to high density electronics, miniaturized sensors and cameras, optical interconnection technology, high speed routers, 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 release contains 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 forward-looking statements include, but are not limited to, statements regarding the settlement of our class action litigation. These 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, actions by the Court regarding the proposed settlement and the certification and size of the class of plaintiffs covered by the settlement. 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 and our other SEC filings that are available through the SEC's EDGAR database (www.sec.gov) or from the Company's Investors Relations.