

February 22, 2010



Optex Systems Signs Commitment Letter for \$2 Million Credit Facility

Proceeds to Fund Working Capital Requirements and Future Growth

RICHARDSON, Texas, Feb. 22, 2010 (GLOBE NEWSWIRE) -- Optex Systems Holdings, Inc. (OTCBB:OPXS), a leading manufacturer of optical sighting systems and assemblies, primarily for Department of Defense applications, today announced that it has entered into a commitment letter with Peninsula Bank Business Funding (PBBF), a Division of The Private Bank of the Peninsula. Pursuant to this commitment letter, PBBF has agreed to provide a one-year, senior-secured \$2 million asset-based line of credit. Upon execution of definitive documents, the credit facility will provide advances to the Company at varying advance rates based upon eligible accounts receivable. Once completed, the Company intends to use the new facility to finance its working capital requirements and future growth opportunities.

As currently contemplated, borrowings under the credit facility would bear annual interest at variable market rates. The Company anticipates completing legal documentation and closing on the facility in approximately two weeks.

"This proposed new facility strengthens the Company's balance sheet and provides additional working capital to accommodate future growth," said Danny Schoening, Chief Operating Officer of Optex Systems Holdings, Inc. "We believe we have successfully restructured the Company's operations over the past year, as demonstrated by improved operating cash flow, and we are now poised to build upon this stable foundation going forward."

"Seasoned senior management and a sound underlying business model were the key considerations in our decision to provide Optex Systems with this revolving line of credit," said Mike Hansen, Executive Vice President of Peninsula Bank Business Funding. "We are excited to be working with the Company and to be its financial partner as it implements its growth plans."

ABOUT OPTEX SYSTEMS

Optex, which was founded in 1987, is a Richardson, Texas – based ISO 9001:2008 certified concern, which manufactures optical sighting systems and assemblies, primarily for Department of Defense (DOD) applications. Its products are installed on various types of U.S. military land vehicles, such as the Abrams and Bradley fighting vehicles, Light Armored and Armored Security Vehicles, and have been selected for installation on the Stryker family of vehicles. Optex also manufactures and delivers numerous periscope configurations, rifle and surveillance sights and night vision optical assemblies. Optex delivers its products both directly to the military services and to prime contractors. For additional information, please visit the Company's website at www.optexsys.com.

ABOUT PENINSULA BANK BUSINESS FUNDING AND THE PRIVATE BANK OF THE PENINSULA

Peninsula Bank Business Funding ("PBBF"), a division of The Private Bank of the Peninsula, provides asset based lending products to emerging growth and venture backed companies throughout the country. The Private Bank of the Peninsula (OTCBB:PBKH - News) is headquartered in Palo Alto, California. The Private Bank focuses on the banking needs of businesses, entrepreneurs and business leaders, non-profit organizations and individuals within the communities that it serves. For additional information, please visit their website at www.The-Private-Bank.com

Safe Harbor Statement

This press release and other written reports and oral statements made from time to time by the Company may contain so-called "forward-looking statements," all of which are subject to risks and uncertainties. You can identify these forward-looking statements by their use of words such as "expects," "plans," "will," "estimates," "forecasts," "projects" and other words of similar meaning. You can identify them by the fact that they do not relate strictly to historical or current facts. These statements are likely to address the Company's growth strategy, financial results and product and development programs. You must carefully consider any such statement and should understand that many factors could cause actual results to differ from the Company's forward-looking statements. These factors include inaccurate assumptions and a broad variety of other risks and uncertainties, including some that are known and some that are not. No forward-looking statement can be guaranteed and actual future results may vary materially.

The Company does not assume the obligation to update any forward-looking statement. You should carefully evaluate such statements in light of factors described in the Company's filings with the SEC, especially on Forms 10-K, 10-Q and 8-K. In various filings the Company has identified important factors that could cause actual results to differ from expected or historic results. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider any such list to be a complete list of all potential risks or uncertainties.

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