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Viking Systems, Inc. Announces Oversubscribed \$3 Million Common Equity Financing

WESTBOROUGH, MA, May 6, 2011 - Viking Systems, Inc. (OTC BB:VKNG), a leading worldwide developer, manufacturer and marketer of 3D and 2D visualization solutions for complex minimally invasive surgery, today announced it has signed a definitive agreement for a private placement of 12,000,000 shares of the Company's common stock along with warrants to purchase up to 9,000,000 shares of its common stock for a total purchase price of \$3.0 million. The purchase price for one share of common stock and a warrant to purchase 0.75 shares of common stock is \$0.25. The warrants will have an exercise price of \$0.25 per share, will expire five years from closing, and are exercisable in whole or in part, at any time prior to expiration. The transaction is anticipated to close on May 10, 2011 subject to customary closing conditions. The Company intends to use the proceeds from the offering for general corporate purposes and working capital, including the funding of increased demonstration systems for its 3DHD Vision System as well as for sales and marketing expansion. Clinton Group, Inc. has agreed to lead the private placement.

In connection with the private placement, Clinton Group, Inc. has reached an agreement with Midsummer Investment Ltd. to purchase all of Midsummer's holdings of Viking Systems common stock and warrants. At the time of this agreement, Midsummer owned 7,223,457, or approximately 12% of the total shares outstanding, and warrants to acquire an additional 5,551,034 shares of Viking Systems with an exercise price of \$0.18 per share.

Prior to closing the financing, the Company will be terminating its current equity line of credit with Dutchess Opportunity Fund.

"We are excited to be leading this recapitalization of Viking Systems," said Joseph A. De Perio, a portfolio manager of Clinton Group, Inc. "We believe the market is ripe for broad acceptance of Viking's 3DHD Vision Systems, and this capital provides Viking with substantial resources to achieve its operational and financial goals for accelerated growth." As part of the transaction, Mr. De Perio has agreed to join Viking Systems' board of directors.

Jed Kennedy, President and CEO of Viking Systems said, “We intend to use this financing to execute an aggressive marketing campaign throughout the U.S. and in significant markets in Europe and Asia. This strategy will include the accelerated placement of demonstration systems, which are key ingredient in the sales process. It will also enable the development of “Centers of Excellence” that will not only serve as reference centers but will also build credibility and global awareness of the Viking product offering. We are now appropriately financed to execute our plan to move to profitability.”

THIS RELEASE DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY ANY SECURITY. THE SECURITIES OFFERED HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR APPLICABLE STATE SECURITIES LAWS AND MAY NOT OFFERED OR SOLD IN THE UNITED STATES OR ANY STATE THEREOF ABSENT REGISTRATION UNDER THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS OR AN APPLICABLE EXEMPTION FROM REGISTRATION REQUIREMENTS.

About Viking Systems, Inc.

Viking Systems, Inc. is a leading worldwide developer, manufacturer and marketer of 3D and 2D visualization solutions for complex minimally invasive surgery. It actively markets and sells the only stand alone, cost-effective 3D system for use in minimally invasive laparoscopic surgery. Viking partners with medical device companies and healthcare facilities to provide surgeons with proprietary visualization systems enabling minimally invasive surgical procedures, which reduce patient trauma and recovery time. Viking, through its OEM products business, also designs and manufactures surgical vision systems and components for several leading medical instrument companies worldwide. For more information, please visit our website at www.vikingsystems.com.

This press release contains forward-looking statements. These forward-looking statements are estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors as described in our annual report on Form 10-K under the heading "Risk Factors" as updated from time to time by our quarterly reports on Form 10-Q and our other filings with the Securities and Exchange Commission. Statements concerning forecasts, revenue growth, profitability, production and shipment of units, future financial results, and statements using words such as "estimate", "project", "plan", "intend", "expect", "anticipate", "believe" and similar expressions are intended to identify forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.