

VIKING SYSTEMS, INC. AND COMPVIEW MEDICAL ENTER INTO EXCLUSIVE OEM AGREEMENT

NuBOOM™ to Become Newest Offering in Viking's Expanding Surgical Solutions Portfolio

SAN DIEGO - October 17, 2006 - Viking Systems, Inc. (OTCBB: VKSY), a designer, manufacturer and marketer of 3-D and 2-D vision systems for use in minimally invasive surgical (MIS) procedures, has entered into an Original Equipment Manufacturing (OEM) Supply Agreement with CompView Medical of Beaverton, Oregon, for the company's NuBOOM™ product, image management software, and related accessories.

This partnership marks Viking Systems' commitment to delivering high performance solutions to the surgeon and surgical team, and to its ongoing mission of addressing the need for integrated information, imaging, and surgical control in the new digital operating room environment.

NuBOOM is a unique, simple, all-in-one surgical equipment and visualization management system designed to enable hospitals to efficiently and rapidly upgrade an OR's minimally invasive surgery (MIS) capability. The NuBOOM product includes a Digital Operating Control System (DOCS™), which provides the surgical team with a touch panel interface to easily control video and other critical information sources in the OR. For improved safety and space conservation, the system also includes cabinet and shelf space to efficiently house a variety of surgical and video equipment. Viking Systems plans to integrate its 3Di Digital Vision System, a 3-D visualization system for the minimally invasive operating room, as well as other Viking Systems vision and Infomatix™ technologies, into the NuBOOM system.

Senior Vice President for Commercial Operations at Viking Systems, Lonna J. Williams, commented, "Viking Systems' focus is on delivering high performance solutions for the digital surgical environment. By integrating Viking's vision systems and Infomatix™ platform with CompView Medical's NuBOOM, the resultant solution is a cost-effective, ergonomically efficient, 3-D vision-enabled operating suite. This unique solution offers the surgeon the benefits derived from depth perception during laparoscopic surgery, the workflow benefits of an advanced image and vision management platform, as well as, the overall cost efficiencies of OR modernization without major construction costs and down time to hospitals."

Together, the two companies intend to create product awareness and drive sales by employing Viking's direct sales organization, existing customer base, and its well developed distributor network. With this cooperative effort, Viking Systems and CompView Medical believe that more hospitals, government health agencies, and outpatient surgery centers will be able to transform their existing OR's into dedicated, high performance MIS surgical suites.

"Surgical methods and patient expectations are rapidly changing, and most care facilities understand that to remain competitive and relevant to their patient base, they must change with them," stated Donald E. Tucker, President and Chief Executive Officer of Viking Systems, Inc. "Our agreement with CompView is integral to the further development of our highly differentiated vision technologies and our mission to deliver high performance solutions to the surgical team."

Paul White, President and Founder of CompView Medical, added, "Our partnership with Viking Systems typifies the kinds of surgical and OR solutions we intend to make available through the unique platform the NuBOOM provides. As the complexity of minimally invasive surgery continues to increase, and the cost-value relationship of surgical operating suites continues to be of focus, the entry point into this solution-based offering lies in building a strong product line with collaborations such as this with Viking Systems."

About Viking Systems, Inc.

Viking Systems, Inc. is a designer, manufacturer and marketer of FDA-cleared, CE-marked, high-performance laparoscopic vision systems. The Company's primary branded product is the 3Di Digital Vision System, an advanced three-dimensional (3-D) vision system used by surgeons for complex minimally invasive surgery, with an initial focus on applications in urology, gynecology, bariatrics and general surgery. Viking Systems Infomatix™ platform provides the surgeon and surgical team with a real-time 3D or 2D image of the surgical field, and integrates the real-time image with live secondary video sources, diagnostic reference images and image-guided information in a picture-in-picture format. Viking also manufactures advanced two-dimensional (2-D) 2Di Digital Vision Systems for targeted configurations and channels, as well as 2-D cameras and components, sold through strategic partner and OEM programs.

About CompView Medical

CompView Medical, a private company that emerged from CompView Inc., specializes in the design and integration of audio-visual systems with proven success for medical environments including operating rooms, exam rooms and medical consultation areas. CompView Medical is built upon its parent company's nearly 20 years of technology expertise specializing in systems integration and group communication within the rapidly emerging audio-visual and group medical communications marketplace.

Safe Harbor Statement

This press release includes forward-looking statements including, but not limited to, our ability to execute on our business plan during 2006 and beyond, our strategic planning and business development plans, our future financing needs, impacts on our financial results, and our future growth. These forward-looking statements are subject to a number of risks and uncertainties that may cause actual results to differ materially from those described in the forward-looking statements. These risks include, but are not limited to, our ability to market our products, the success of business development efforts, competition in the industry, and our ability to manage growth, as well as the risks and other factors set forth in our periodic filings with the U.S. Securities and Exchange Commission (including our Form 10-KSB for the year ended December 31, 2005 and our Form 10-QSB from the quarter ended June 30, 2006).

Contacts:

The Investor Relations Group

Investors:

Kevin Murphy, 212-825-3210

kmurphy@investorrelationsgroup.com

Media:

Lynn Granito, 212-825-3210

lgranito@investorrelationsgroup.com