

VIKING SYSTEMS, INC. COMPLETES \$8-MILLION PREFERRED STOCK FINANCING

Financing to support growth of Viking's surgical technology business and OEM business

SAN DIEGO — June 2, 2006 — Viking Systems, Inc. (OCTBB: VKSY; "Viking"), a designer, manufacturer and marketer of high-performance laparoscopic vision systems for use in minimally invasive surgeries, has completed an \$8-million private equity financing with accredited investors. The proceeds will be used to support the commercialization of the Company's core products, the 3Di and 2Di Digital Vision Systems, to expand the solution portfolio addressing the needs of the digital operating room, and to continue growth of the OEM (original equipment manufacturer) business.

Pursuant to this private financing, Viking sold 8,000 shares of its Series B Preferred Stock. In connection with its sale of Preferred Stock, Viking entered into a Securities Purchase Agreement and Registration Rights Agreement with each of the Investors. Each of the Investors were also issued common stock purchase warrants in the Preferred Stock transaction.

As a condition to the closing of the Preferred Stock Transaction, Viking has completed a conversion of certain outstanding Convertible Notes in the aggregate principal amount of \$4,750,000. These Convertible Notes were issued in 2005 and were originally due to be paid March 22, 2006.

"This is the first major round of equity financing for Viking Systems. We were able to attract a group of top institutional investors and long-term partners for this essential financing, allowing us to eliminate all debt and position the Company for future growth," said Donald Tucker, Viking System's President and Chief Executive Officer. "We now have resources to further expand the Company's sales and distribution capabilities for our proprietary EndoSite 3Di and 2Di Digital Visual Systems, as well as continue to build out the Company's rapidly growing OEM business."

Within the general terms of the Preferred Stock transaction, the Security Purchase Agreement provides for a private placement of up to 8,000 shares of Viking's Preferred Stock. All 8,000 shares of Preferred Stock offered were sold at the price of \$1,000 per share. A total of 7,250 shares of Preferred Stock were issued for \$7,250,000 in cash and 750 shares of Preferred Stock were issued in connection with the conversion of Notes in the principal amount of \$750,000. The shares of Preferred Stock are initially convertible into shares of Viking's common stock at a price of \$0.18 per share; however, the conversion price is subject to adjustment based upon certain conditions.

Each purchaser of Preferred Stock was issued warrants to acquire shares of Viking common stock. Total warrant coverage equals 50% of the number of shares of common stock that are issuable upon conversion of the Series B Preferred Stock. The exercise price of the warrants is \$0.35 per share, expiring on the fifth anniversary date of their issuance. Based upon the initial conversion price, the warrants entitle the holders to purchase an aggregate of 22,222,222 shares of Viking common stock.

Additional details of the Preferred Stock Financing may be found on the Company's website (www.vikingsystems.com) or at the SEC's website (www.sec.gov).

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 EndoSite 3Di Digital Vision System, an advanced three-dimensional (3-D) vision system used by surgeons for complex minimally invasive laparoscopic surgery, with an initial focus on applications in urology, gynecology, bariatrics and general surgery. Viking also manufactures advanced two-dimensional (2-D) EndoSite 2Di Digital Vision Systems for targeted configurations and channels, as well as 2-D cameras and components, sold through strategic partner and OEM programs.

Forward-Looking Statement:

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995: 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 for the quarter ended March 31, 2006.)

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