

VIKING SYSTEMS, INC. GAINS CLEARANCE TO MARKET 3-D VISUALIZATION SYSTEMS IN AUSTRALIA AND NEW ZEALAND

Continued Growth of Minimally Invasive Surgery Worldwide Creates Demand for Viking's Innovative 3-D Surgical Technology

SAN DIEGO –January 3, 2006 - Viking Systems, Inc. (OTCBB: VKSY), a designer, manufacturer and marketer of high-performance laparoscopic vision systems for use in minimally invasive surgical (MIS) procedures, has partnered with Device Technologies, a private Australian company established in 1992 that markets and sells high quality capital equipment and medical device consumables. The partnership comes as Viking has recently been granted regulatory clearance by the Therapeutic Goods Administration (TGA) to market its 3Di Digital Vision System in Australia and New Zealand. The TGA is Australia's regulatory agency for medical drugs and devices. Hospital evaluations of Viking's technology in Australia and New Zealand will begin in January 2007.

"MIS is growing rapidly in Australia and other key geographic regions and our ability to market Viking System's innovative and economical 3Di Digital Vision System provides us with an opportunity to better serve our hospitals and their patients," said Peter Ord, Chief Executive Officer of Device Technologies. "Our surgeons are attracted by the restoration of depth perception and convenience of the head mounted displays versus the strain of viewing a distant monitor, especially during longer procedures. We are confident that Viking's 3Di Digital Vision System will offer our customers significant value for complex minimally invasive surgery applications."

"Surgeons and hospitals around the world are rapidly adopting the benefits of our 3D technology and Device Technologies represents a quality partner that will ensure our success in Australia and New Zealand," stated Stephen Heniges, Vice President, Corporate Accounts and International Business at Viking Systems. "Our customers also value the mobility of our system and appreciate the shortened learning curve for mastering new and complex procedures."

"We are pleased by the rapid TGA approval for our system in Australia and New Zealand as this expands the presence for the Company within the rapidly growing minimally invasive surgical space," concluded Donald E. Tucker, President and Chief Executive Officer of Viking Systems. "As we continue to expand both internationally and in the U.S., Viking remains focused on delivering innovative, cost-effective solutions for use in digital operating rooms of all sizes and capabilities."

Viking Systems will continue to pursue strategic partners in key markets globally and expects to further penetrate Asia in the near future.

About Viking Systems, Inc.

Viking Systems, Inc. is a designer, manufacturer and marketer of FDA-cleared, CE-marked, high-performance surgical vision systems. The Company's primary branded product is the Viking 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 also manufactures advanced two-dimensional (2-D) Viking 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 Device Technologies

Device Technologies is an Australian, independent, private company established in 1992. Today it employs approximately 250 people in Australia and New Zealand and operates sales offices in every Australian State and in Auckland, New Zealand.

The Company markets and sells high quality capital equipment and medical device consumables imported from the USA and Europe as well as locally manufactured.

Device Technologies aims to be the "First Choice" in the delivery of leading edge technologies and service into the Australian and New Zealand health care markets.

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.

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