

### VIKING SYSTEMS, INC. EXPANDS DISTRIBUTION NETWORK IN THE UPPER MIDWEST WITH THE ADDITION OF KRAFT MEDICAL

*Demand for Viking's Innovative 3-D Surgical Technology Increases With Growth of Minimally Invasive Surgery*

SAN DIEGO, March 20, 2007 -- Viking Systems, Inc. (OTC BB:VKSY.OB), a designer, manufacturer and marketer of high-performance laparoscopic vision systems for use in minimally invasive surgical (MIS) procedures, has expanded its domestic distribution network with the addition of a new partner, Kraft Medical. Kraft, based in the Minneapolis area, will distribute Viking's 3-D technology in areas of the Midwest, including Minnesota, North Dakota, most of Wisconsin and the upper peninsula of Michigan.

"Depth perception is important to our surgeons as they perform increasingly complicated laparoscopic procedures," said Austin Kraft, President of Kraft Medical. "The use of minimally invasive techniques for these procedures is rapidly growing in the Midwest, and we believe Viking's 3Di Digital Vision System will become the standard for minimally invasive surgery in the future. We look forward to bringing this technology into hospitals throughout our Midwest selling area."

"Because of the rapid growth of minimally invasive surgical techniques for complex surgical procedures, surgeons and hospitals around the world are realizing the importance of the intra-operative benefits of Viking's 3-D technology," stated Donald E. Tucker, President and Chief Executive Officer of Viking Systems. "We are particularly interested in expanding our distribution to the Midwest because of the area's high growth rate in minimally invasive surgery. Kraft Medical, with its longstanding, high-quality representatives, is an ideal partner for us, as we believe its representatives can provide important access to hospitals throughout the Midwest that can benefit from our 3-D vision systems."

"Viking's 3-D technology and equipment create a high performance, pure-laparoscopic skill environment for the surgeon that enables a unique and sizable opportunity for the Company within the rapidly growing, minimally invasive surgical space. We continue to expand our sales presence in high-growth, minimally invasive surgical markets throughout the world. We remain focused on delivering innovative, cost-effective solutions for use in digital operating rooms of all sizes and capabilities," concluded Mr. Tucker.

Viking Systems will continue to pursue strategic partners in key markets globally and expects to further penetrate Latin America, Asia, Europe and other geographic regions in the near future.

#### **About Kraft Medical**

Kraft Medical is a multi-specialty distributor in the Upper Midwest of selected equipment used in the surgical environment. It offers synergistic products for a variety of minimally invasive surgical procedures.

#### **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

laparoscopic surgery, with an initial focus on applications in urology, gynecology, bariatrics and general surgery. Viking also manufactures advanced two-dimensional (2-D) 2Di Digital Vision Systems for targeted configurations and channels, as well as 2D cameras and components, sold through strategic partners and OEM programs.

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