

VIKING SYSTEMS PLANS TO ACQUIRE TUEBINGEN SCIENTIFIC MEDICAL EXPLORING FINANCING OPTIONS

Combined Companies to Offer Integrated Solution for Complex Minimally Invasive Surgery

SAN DIEGO – August 20, 2007 – Viking Systems, Inc. (OTC BB:[VKSJ.OB](#)), a designer, manufacturer and marketer of high-performance laparoscopic vision systems today announced it has signed a letter of intent to acquire Tuebingen Scientific Medical GmbH, a Germany-based developer of articulating surgical instrumentation for minimally invasive surgery (MIS). Tuebingen Scientific Medical markets its instruments under the brand name ‘Radius’. Terms of the transaction were not disclosed.

The acquisition of Tuebingen Scientific Medical would represent a strategic shift for Viking Systems designed to significantly expand its addressable market and accelerate the Company’s revenue growth. The combination of Tuebingen Scientific Medical’s ‘Radius’ family of articulating instruments and Viking Systems’ 3Di Vision Systems would provide doctors, patients, and hospitals with a full solution designed specifically for complex minimally invasive surgery.

Completion of the transaction is subject, among other things, to negotiation and execution of a definitive agreement, due diligence, normal and customary closing conditions, and arrangement by Viking Systems of appropriate financing. In this connection, Viking is exploring financing options and assessing its entire capital structure to determine how best to structure its balance sheet, fund the acquisition and provide sufficient operating and growth capital. This assessment process will include discussions with holders of its current debt securities and preferred stock.

“We are very excited about this opportunity,” stated Donald E. Tucker, CEO and President of Viking Systems. “Tuebingen Scientific’s line of articulating surgical instruments, combined with Viking’s 3D vision technologies, and our Infomatix™ platform, will allow us the opportunity to offer a new and powerful solution set to the market. With this business combination, Viking Systems would add significant clinical value to our existing technology and offerings, as well as a new and highly synergistic revenue stream to the business. The business combination will also support our entry into new clinical markets, including: cardiovascular, cardiothoracic, and general pediatric surgery. We are convinced that the combination of our solutions would be of tremendous value in complex minimally invasive surgery, the fastest growing segment of the surgical market.”

“We look forward to combining the leading-edge technologies from these two companies,” stated Prof. Dr. Marc Schurr, Managing Director of Tuebingen Scientific Medical GmbH. “We have been working with Viking Systems for some time now, and we believe that Viking is the perfect fit for our combined technologies. From a strategic standpoint, both companies share a common mission of serving the unique needs of advanced minimally invasive surgery. What Viking Systems offers to Tuebingen Scientific Medical is a total product platform for our ‘Radius’ instrumentation that we believe will dramatically enhance the physician’s skill and dexterity in complex maneuvers. The combination of our technologies presents an opportunity for a unique and preferred presence in minimally invasive surgical products.”

The synergy between articulating instrumentation and 3D vision has been validated by surgeons at the Cleveland Clinic foundation. In a May 2007 study by the Cleveland Clinic, the combination of 3D vision and articulating instrumentation increased the precision and performance of all surgeons regardless of their level of expertise, and the combination of the two technologies enabled surgeons to perform suturing tasks better than either technology singularly.

The Company indicated that it expects to complete a definitive agreement, the funding and the acquisition by the end of the year.

About Viking Systems, Inc.

Viking Systems, Inc. is a designer, manufacturer and marketer of FDA-cleared, CE-marked, high-performance 3D and 2D laparoscopic vision systems. The Company's primary branded product is the 3Di Vision System, an advanced three-dimensional (3D) vision system used by surgeons for complex minimally invasive surgery, including applications in urology, gynecology, bariatrics and general surgery. Viking also manufactures advanced two-dimensional (2D) 2Di Digital Vision Systems for targeted configurations and channels, as well as 2D cameras and components, sold through strategic partners and ODM programs.

About Tuebingen Scientific Medical GmbH

Tuebingen Scientific Medical GmbH is an early stage medical device company specializing in innovative devices for minimally invasive surgery. The company is based in Tuebingen, Germany and is focused on the design and clinical development of unique minimally invasive surgical devices for intracavity and intraluminal procedures. The Radius Surgical System products are based on clinical practice and R&D in the area of surgical robotics, and are in clinical use under CE-mark.

Statements contained in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Such statements include, but are not limited to, statements regarding Viking's goals, the proposed acquisition, its prospects for growth and its marketing efforts. Risks that contribute to the uncertain nature of the forward-looking statements include: risks related to the effectiveness of its marketing program, its ability to obtain funding, its ability to complete a definitive agreement and to close the acquisition, its ability to maintain sales momentum, and costs associated with internal development, partnership and in-licensing activities. These and other risks and uncertainties are described more fully in Viking's most recently filed SEC documents, including its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, under the headings "Risk Factors." All forward-looking statements contained in this press release speak only as of the date on which they were made. Viking undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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