

VIKING SYSTEMS REPORTS PRELIMINARY SECOND QUARTER 2007 REVENUE GROWTH OF OVER 45% AND PROVIDES UPDATE ON BUSINESS

SAN DIEGO – July 23, 2007 – Viking Systems, Inc. (OTC BB:VKSX.OB), a designer, manufacturer and marketer of high-performance laparoscopic vision systems for use in minimally invasive surgical (MIS) procedures, has announced preliminary second quarter 2007 revenue of approximately \$2.8 million, representing more than 45% growth over first quarter 2007 reported revenues. Sales growth in Viking 3Di vision systems and Original Development Manufacturer (ODM) products and services resulted in a more than 200% increase in revenues from the 2006 second quarter results. For the first six months of 2007, net sales were approximately \$4.7 million, up approximately 120% from the \$2.1 million of net sales reported for the first half of 2006.

The Company's second quarter results are preliminary and subject to customary final review and closing procedures. Viking may identify items that would require it to make adjustments to the preliminary revenue results presented herein. The Company expects to report both a loss from operations and a net loss for the quarter. Final second quarter results are expected to be reported by August 15, 2007.

"We are very pleased by the preliminary revenue results in both of our product segments. In the second quarter, our branded 3Di vision system solutions demonstrated both strong momentum and growth. Furthermore, we also significantly increased our opportunity pipeline through participation in a number of high profile industry meetings in the U.S. and in Europe," stated Donald E. Tucker, CEO and President of Viking Systems.

Business Highlights for the quarter include:

- Viking Systems launched a new High Definition (HD) Personal Head Display (PHD) for use with its proprietary Viking 3Di vision system.
- The Company doubled its U.S. and international distribution network.
- The Company also supported the development and release of several major clinical studies and papers, in cooperation with institutions such as Cleveland Clinic and Hackensack University Medical Center, which demonstrated the benefits and advantages of its 3Di vision technologies.

"In addition, our ODM products and services business performed very well. Fueled by our existing customer relationships and through the start-up of several new customer contracts, the business continued to deliver solid revenue growth. We are also very pleased with our ODM opportunity pipeline and with the quality and profile of our customer base. We are aggressively working to establish Viking Systems ODM as the premier designer and manufacturer of high-value vision technologies and solutions for the industry, and the market is responding," Tucker added.

The Company is continuing to devote resources to building more clinical evidence and market support for its 3Di visualization solutions and Infomatix™ platform. In addition to its focus in the MIS specialty segments of urology, gynecology, bariatrics and general surgery, Viking Systems also plans to capitalize on opportunities in the areas of cardiovascular, cardiothoracic, general pediatrics, ENT/Neurological and spinal surgery. In the third and fourth quarters of 2007, the company plans to release several new and complementary vision systems products, configurations, and capabilities that are intended to add significant customer value to its existing technology and solutions.

The Company believes that minimally invasive surgical procedures are growing at twice the rate of traditional open surgical procedures, and that outside the U.S., MIS procedures are growing at a significantly higher rate as a percentage of total surgeries being performed. Critical to the Company's targeted market, the Company believes that much of the procedural growth is related to procedures with increasingly greater complexity. Throughout the balance of this year, the Company plans to substantially increase its efforts in educating the medical and patient community regarding the benefits and value of 3D technology in complex minimally invasive surgery.

"We believe that our second quarter revenue growth provides affirmation that we are on the right path to delivering sustained operational results. To fuel our growth, we are convinced that the business must continue to build on its 3D visualization platform through additional vision and Infomatix™ capabilities and begin to offer new and complementary surgical solutions to enhance our product and service offerings. It is also critical to our future that the Company begins to leverage its unique and highly differentiated vision technology and strong clinical focus through strategic partners and alliances. Going forward, we plan to increase our business development activities and prioritize a number of opportunities to strategically position our business for success," concluded Tucker.

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 (3D) 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 ODM programs.

Safe Harbor Statement

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, 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 continue to obtain funding, 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.

Contact:

The Investor Relations Group

Investors:

Erika Moran

212-825-3210

emoran@investorrelationsgroup.com

Media:

Lynn Granito

212-825-3210

lgranito@investorrelationsgroup.com

