

Viking Systems Provides Business Updates

WESTBOROUGH, Mass., Dec. 4, 2009 (GLOBE NEWSWIRE) -- Viking Systems, Inc. (OTCBB:VKNG), a supplier of 2D and 3D visualization systems for the medical market, today provided the following business updates:

- * At the MEDICA tradeshow in Dusseldorf last month, Viking Systems' "Next Generation" prototype 3DHD camera system was demonstrated utilizing a prototype Sony 3DHD flat panel display. Jed Kennedy, Viking's president and chief operating officer, described the event saying, "The reactions confirmed what we previously reported from the American College of Surgeon's 95th annual Clinical Congress in Chicago. We were extremely pleased with the level of interest shown in this new technology. The interactive 3DHD demonstration was once again well received. While 2D high definition cameras currently represent the vast majority of camera placements in the approximately \$1 billion surgical video systems market, it remains clear that 3DHD is the next advancement in endoscopic surgical vision." Viking Systems anticipates having its Next Generation 3DHD camera system ready for the market in approximately one year and is exploring sources of financing in this connection.
- * Also at MEDICA, conversations were initiated with several potential distribution partners for Viking regarding sales of its Next Generation product in the U.S. market. Viking currently has a distributor network in place outside the U.S.
- * Viking previously indicated it received a large order from the U.S. Army for deployment of one of its complete 3Di systems at each of seven regional Army Medical Centers throughout the United States. These systems were shipped and installed in October, and Viking has received the full invoiced amount of approximately \$900,000.
- * As contemplated in Viking Systems' November 3, 2009 press release, the Company has delivered a "designed to specification" prototype high definition 3DHD visualization system to a manufacturer of surgical robotic systems as part of a development agreement. The system prototype was a key deliverable in the completion of the development arrangement. Viking believes that the prototype performed well and met or exceeded expectations. There can be no assurance that any further agreement for this product will ultimately be reached, and the confidential nature of R&D programs makes it inappropriate to comment on timing in this regard.
- * On December 3, 2009, Viking Systems filed with the SEC an amendment to its previously filed Form 10Q for the quarter ended September 30, 2009. The amendment was made to correct the statement of operations for the three months ended September 30, 2009 for a mathematical error made when deriving the three month results from the reported nine month results. The correction does not affect the Company's balance sheet at September 30, 2009 or its statements of operations or its statement of cash flows for the nine months ended September 30, 2009. See the "As Corrected" and "As Reported" financial tables below.

About Viking Systems, Inc.

Viking Systems, Inc. (OTCBB:VKNG) is a leading worldwide developer, manufacturer and marketer of visualization solutions for complex minimally invasive surgery. The Company partners with medical device companies and healthcare facilities to provide surgeons with proprietary visualization systems enabling minimally

invasive surgical procedures, which reduce patient trauma and recovery time. For more information visit the Company's website at: www.vikingsystems.com

This press release contains forward-looking statements. These forward-looking statements are estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors as described in our annual report on Form 10-K under the heading "Risk Factors" as updated from time to time by our quarterly reports on Form 10-Q and our other filings with the Securities and Exchange Commission. Statements concerning forecasts, revenue growth, procedure growth, future financial results, and statements using words such as "estimate", "project", "plan", "intend", "expect", "anticipate", "believe" and similar expressions are intended to identify forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

VIKING SYSTEMS, INC.
Statements of Operations -Unaudited

	Three Months Ended September 30,	
	2009	2009
	As Corrected	As Reported
Sales, net	\$ 1,995,614	\$ 1,995,614
Cost of sales		
Cost of goods sold	1,508,042	1,508,042
Inventory valuation charge	--	--
Total cost of sales	1,508,042	1,508,042
Gross profit (loss)	487,572	487,572
Operating expenses:		
Selling and marketing	183,999	174,252
Research and development	121,951	121,951
General and administrative	384,685	384,685
Total operating expenses	690,635	680,888
Operating loss	(203,063)	(193,316)
Other income (expense):		
Interest income	199	199
Interest expense	(2,760)	(2,760)
Loss on recapitalization transaction	--	--
License fee	--	--
Other income	--	--
Gain on derivative liability	--	--
Total other income (expense)	(2,561)	(2,561)
Net loss	\$ (205,624)	\$ (195,877)
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.00)

Weighted average shares - basic and diluted	42,715,110 =====	42,715,110 =====
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Operating Loss Before Non-Cash Charges

A reconciliation of net loss in accordance with U.S. generally accepted accounting principles (GAAP) to the non-GAAP measure of operating loss before non-cash charges is as follows for the three months ended September 30, 2009 as originally reported and as corrected:

	As Corrected -----	As Reported -----
Net loss	\$ (205,624)	\$ (195,877)
Adjustments:		
Total other (income)/expense	2,561	2,561
Non-cash stock option expense	113,161	113,161
Depreciation and amortization	45,737	45,737
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Operating loss before non-cash charges	\$ (44,165) =====	\$ (34,418) =====

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