

VIKING SYSTEMS SECURES \$5 MILLION EQUITY LINE

WESTBOROUGH, Mass., Jan. 7, 2010 (GLOBE NEWSWIRE) – Viking Systems, Inc. (OTCBB:VKNG), a supplier of 2D and 3D visualization systems for the medical market, announced today that it has entered into an Investment Agreement (the "Agreement") for a \$5 million equity line with Dutchess Opportunity Fund, II, LP ("Dutchess").

“We expect that this flexible financing arrangement will provide Viking with the capital required to fund the launch of our ‘Next Generation’ 3DHD camera system. With this agreement in place, Viking has strengthened its financial position and is fully prepared to expand its presence in the Minimally Invasive Surgical market,” commented Jed Kennedy, Viking Systems, Inc. President & Chief Executive Officer.

Under terms of the agreement, Dutchess has committed to purchase up to \$5,000,000 of the Company’s common stock over thirty-six months. While the per share price will be determined based on market prices in accordance with an agreed upon formula, the Company is not obligated to draw on the facility. The Agreement grants the Company the option to sell and obligates Dutchess to purchase common stock at a 4% discount to a calculated volume weighted average market price. In connection with establishing the equity line, the Company has agreed to file a registration statement covering 15 million shares of common stock with the U.S. Securities and Exchange Commission to register the resale by Dutchess of any shares issued to it under the equity line. Subject to the effectiveness of the registration statement and the satisfaction of other customary conditions, the Company may draw on the facility from time to time, as and when it determines appropriate, in accordance with the timing and volume provisions set forth in the agreement.

Douglas Leighton, Managing Director of Dutchess stated, “We are excited about being a partner to Viking to provide the funding needed to see the company through to its full potential. We believe in the management’s efforts to grow the company and this facility will allow the company to access capital while being inexpensive and flexible. In these hard economic times, Dutchess continues to finance the growth of promising companies such as Viking.”

During 2009, Viking System experienced significant interest in its three dimensional visualization systems from surgeons and other medical professionals as a result of interactive demonstrations at the American College of Surgeons Annual Congress in October of 2009 and at MEDICA, the world’s largest medical equipment trade fair, held every November in Düsseldorf. In addition, the Company continues to partner with other Med Tech leaders on an OEM basis providing 2D and 3D visualization solutions to meet the specific needs of surgical procedures and technologies.

About Viking Systems, Inc.

Viking Systems, Inc. (OTCBB:[VKNG](#) - [News](#)) 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

About Dutchess Capital

Dutchess Capital is an investment manager which provides creative financing for promising, growth-stage companies. Founded in 2000, funds managed by Dutchess have made over \$200 million in direct investments in companies throughout North America, Europe and Asia.

For almost a decade, Dutchess has been a global leader in Equity Line of Credit investments (ELOCs) and has transacted in excess of \$1.4 billion in such financings. The ELOC is a flexible financing structure by which publicly traded companies can raise capital quickly, efficiently and with less dilution than most traditional offerings.

For more information, please visit: www.dutchessopportunity.com a fund managed by www.dutchesscapital.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.

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