

## Viking Systems Sells \$1,171,000 of Common Stock

WESTBOROUGH, Mass., Oct. 4, 2010 (GLOBE NEWSWIRE) -- Viking Systems, Inc. (OTCBB:VKNG) said today that it has increased its cash and liquidity position through the issuance of common stock. In a series of transactions from August 4, 2010 through September 30, 2010, the Company raised \$1,171,117 by selling an aggregate of 3,665,335 shares of its common stock through its previously announced financing facility with Dutchess Opportunity Fund, II, LP ("Dutchess").

Robert Mathews, Executive Vice President and Chief Financial Officer of Viking Systems, Inc. said, "We are very pleased to have access to capital through our financing agreement with Dutchess. This capital is critical to our business and strategic plans. We have evaluated the structure, cost and terms of many potential financing options, including the amount and terms of warrants typically included in those deals, and determined that all of those potential arrangements would result in substantially greater dilution to our shareholders. We believe the current financing arrangement is at very attractive terms in relation to other financing options presented to the Company."

Under the terms of the previously announced financing arrangement, Dutchess committed to purchase up to \$5,000,000 of the Company's common stock over thirty-six months. The Company agreed to and did register 15,000,000 shares of common stock for resale under this financing arrangement.

In the aggregate, the Company has sold 10,578,565 shares to Dutchess for total net proceeds of \$2,688,472. The Company reported that \$326,857 related to the issuance of 838,502 shares included in this reported financing is in the settlement process and is expected to settle by October 8, 2010. Following the issuance of these shares the Company will have 57,989,090 common shares outstanding. It is the Company's understanding that Dutchess does not hold any of the Company's common stock and has resold all the shares that the Company has sold to them.

### About Viking Systems, Inc.

Viking Systems, Inc. (OTCBB:VKNG) is a leading worldwide developer, manufacturer and marketer of 2D and 3D 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](http://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 the Company's report on Form 10-K under the heading "Risk Factors" as updated from time to time by the Company's quarterly reports on Form 10-Q and the Company's 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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