

## **Viking Systems Launches Next Generation 3DHD at ACS**

### **Announces First Distribution Partners**

WESTBOROUGH, Mass., Oct. 7, 2010 (GLOBE NEWSWIRE) -- Viking Systems, Inc. (OTCBB:VKNG) reported today that it officially launched its Next Generation 3DHD Visualization System on October 4, 2010 at the American College of Surgeons Clinical Congress (ACS) held October 3-7 in Washington, DC. The Company also announced today its first distribution partners for the new system.

The Company reported a very positive response and reaction to the new 3DHD system. Numerous attendees participated in hands-on demonstrations of the new system. Interactive workstations utilizing the new systems were available in both the Company's and Sony's booths and provided attendees a chance to experience the 3DHD system in a simulated surgical environment. Over 500 potential purchasers from around the world requested follow-up information and may desire demonstrations to be scheduled at their hospitals.

Jed Kennedy, Viking Systems President & CEO stated, "The overwhelming response to our Next Generation System was very gratifying. Surgeon after surgeon praised the product and quickly identified the potential benefits to their surgical procedures in using this system."

The Company today announced it has entered into distribution agreements for the Next Generation 3DHD system with several distribution partners. The Company has entered into distribution agreements with Surgioscopy, Cunningham Woodland, Inc. and American Surgical, Inc. to cover specific territories within the United States. Combined these distribution partners provide 35 sales representatives covering 31 states within the United States. The Company plans to complete distribution coverage in the U.S. in the coming months.

The Company is pleased to announce that it has entered into a distribution agreement with Guangdong Medical Equipment Industrial Company covering the People's Republic of China with a sales force, through its affiliated partners, of approximately 500 sales representatives and 18 territory managers. Chinese regulations require registration of the new 3DHD system before the product can be sold in that market. The Company plans to work with its Chinese distributor on the required registration. The Company believes the registration process in China typically is in excess of one year.

Additionally, the Company today reported that it has also entered into distribution agreements for the Next Generation 3DHD system with distribution partners covering Italy, France, Korea, and Turkey. As part of the agreements, distributors are required to purchase 3DHD demonstration systems enabling them to present all features of the system in clinical evaluations.

Jed Kennedy said, "We are extraordinarily pleased with the quality of the distributors we have partnered with in this first phase of our distribution strategy and with the distributors' significant financial commitments to purchase demonstration equipment in order to assure success in their markets." Kennedy went on to say, "Clinical demonstrations in the OR are a key step in the sales process of surgical video systems and our distributor network will be well equipped to successfully demonstrate Viking's 3DHD Surgical Vision System resulting in system sales."

Viking currently has commitments from distributors to purchase 20 Next Generation 3DHD demonstration systems. The company plans to begin shipping the initial demonstration systems during the fourth quarter of 2010. These demonstration systems, which are critical to the sales process and are not intended for resale, are priced at a substantial discount to the distributors' agreed upon regular purchase price for resalable systems.

Dave Shaw, President of Surgioscopy stated, "We are very excited about adding Viking's Next Generation 3DHD system to our product offerings. We believe this product is a real differentiator and will bring great value to surgeons and hospitals."

The Company plans to continue executing its distribution strategy by partnering with committed independent sales partners who already provide complementary laparoscopic instrumentation to the OR and to whom the 3DHD System will provide significant differentiation and a distinct competitive advantage over other laparoscopic instrument providers. "Nearly all laparoscopic procedures are currently performed with a 2D camera," said Jed

Kennedy. "We plan to provide the surgeon with high quality 3D vision in a cost effective and flexible format. Performing complex minimally invasive procedures with a 3D vision system has the potential not only to improve the quality of care but also to reduce procedure time and therefore cost of procedures."

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 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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