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**VIKING SYSTEMS, INC. EXPECTS 25% REVENUE INCREASE FOR SECOND
QUARTER**

Provides update on 3DHD System Placements

WESTBOROUGH, MA, July 6, 2011 - Viking Systems, Inc. (OTC BB:VKNG), a leading worldwide developer, manufacturer and marketer of 3D and 2D visualization solutions for complex minimally invasive surgery, today announced that it expects to report sales for the quarter ended June 30, 2011 of approximately \$2.5 million, an increase of 25% compared with \$2.0 million in revenue reported for last year's second quarter.

During the quarter, Viking sold 16 of its recently-released 3DHD Vision Systems. Of the 16 3DHD systems, 8 were sold to customers and 8 were sold to distributors as demonstration systems. Jed Kennedy, President and CEO of Viking Systems said, "We continue to be very pleased with the progress we are making in the market. Keeping in mind that the typical capital equipment sales cycle is six to nine months, the fact that we have sold 18 end-user systems during the first seven months since product release is very encouraging. Distributors continue to report that the product is well-received and they expect orders to continue to grow in the third and fourth quarters of the year. In order to keep up with demonstration demands, distributors are purchasing additional demo systems. We now have 28 demo systems deployed worldwide and expect this trend to continue as we expand our distribution footprint."

All of the customer system sales in 2011 have been in markets outside the United States. While the Company believes that a majority of its 3DHD sales in 2011 will be from markets outside the USA, it expects to receive orders from US customers during the third quarter. Demonstrations in the USA of salable product began in January 2011.

Mr. Kennedy also reported, "We have been engaged in discussions with several medical device companies that are developing advanced surgical systems, and who are interested in our 3DHD system's unique capabilities as a component of those systems. These medical device companies include three companies developing surgical robotic systems, two of which have purchased

3DHD systems, while the third has an order pending final regulatory approval of its entire system.”

Viking Systems also reported that as of June 30, 2011 it had shipped a cumulative total of 50 3DHD systems, 28 demonstration units, 18 customer systems, two “Center of Excellence” systems for which there was no charge, and two market development systems to third parties, since initial shipments of the 3DHD systems began in December 2010. Since nearly all customer sales require “hands-on” demonstrations, placement of these units is critical to future sales success. Additionally, since distributors are required to purchase demonstration systems, the Company believes those purchases represent distributor confidence in the product and their ability to generate future sales.

The Company also reported that shipments of approximately \$343,000 of certain OEM product orders were delayed because of component availability issues related to the natural disaster in Japan during the first quarter 2011. The Company expects to ship all delayed product orders in the third quarter and be back on a normal delivery schedule.

Viking Systems expects to report its full second quarter results when it files its second quarter 2011 Form 10-Q with the SEC, which is due not later than Aug 15, 2011.

About Viking Systems, Inc.

Viking Systems, Inc. is a leading worldwide developer, manufacturer and marketer of 3D and 2D visualization solutions for complex minimally invasive surgery. It actively markets and sells the only stand alone, FDA cleared, cost-effective 3D system for use in minimally invasive laparoscopic surgery. Viking 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. Viking, through its OEM products business, also designs and manufactures surgical vision systems and components for several leading medical instrument companies worldwide. For more information, please visit our 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, profitability, production and shipment of units, 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.