January 24, 2007

Coda Octopus Group, Inc.

Coda Octopus Introduces Underwater Inspection System(TM) (UIS)

Expects Initial Sales in 2007 for Port, Harbor and Maritime Security Applications

NEW YORK, NY -- (MARKET WIRE) -- 01/24/07 -- Coda Octopus Group, Inc. (PINKSHEETS: CDOC), which in January of 2006 introduced the first ever 3D subsea real-time sonar component, the Coda Echoscope(TM), said today that is has completed development of the first ever comprehensive Underwater Inspection System (UIS), and expects first shipments to government and port authority customers to begin in the next 90 days.

Scott Tripp, of the US Coast Guard Research & Development Center, Groton, CT, commented that, "3D real-time sonar raises the bar and sets a new standard for underwater port and harbor security. It allows us to visualize and document the underwater environment in real-time, however murky the water. With this picture, we can quickly ascertain if there is an underwater threat and that allows us to respond more quickly and efficiently. 3D real-time data is also far more intuitive than data generated with traditional underwater mapping and scanning techniques, meaning users require very little training to understand what they are looking at. This type of technology provides for the ability to rapidly inspect large areas of our ports in order to detect an underwater threat."

The Company said that, unlike the Echoscope(TM), which was developed primarily for broad commercial applications in oil and gas and defense, the UIS announced today emerges from a very close two and a half year collaboration between Coda Octopus, the Center for Ocean Technology at the University of South Florida and the Research and Development Center of the United States Coast Guard to meet the demonstrated needs of various government and quasi governmental agencies in the United States for port security technology that is dependable and effective below the water's surface.

According to Jason Reid, Coda Octopus Chairman and CEO, "We are proud of the ability of our engineering and product development team to listen carefully to the needs of the Coast Guard, the Navy, and the Army Corp of Engineers, and to respond in a relatively brief period of time with a robust ready-to-deploy system that offers profound new technology packaged and organized the way our customers say they need it, and at a reasonable cost."

Reid said, "We believe deployment of the UIS by port authorities will also increase demand for Echoscopes by raising the visibility of the entire segment." He said that Coda Octopus has delivered 13 Echoscopes thus far and expects Echoscope sales to more than double in FY 2007, driven by private sector demand for real-time 3D solutions. "As the patent holder in real-time 3D sonar, Coda's strategy is to maintain its first mover status in underwater security by continuing to develop and build the products and systems its customers need."

Requiring only basic training, the UIS enables the user to collect 3D data in real-time and build a complete lifelike picture of any object or structure underwater, dramatically increasing situational awareness and allowing the underwater environment to be quickly inspected for threats such as submerged IED's (Improvised Explosive Devices) attached to harbor walls or ship hulls, or to detect objects on the seabed or in the water column that may be a navigational hazard to shipping.

The UIS optionally includes a C3 (Command & Control) Center with live data being streamed via encrypted wireless links to shore stations and broadcast anywhere in the world over a secure internet connection, and is available with state-of-the-art Remotely Operated Vehicles (ROV). It can also be configured to be deployed in several other ways depending upon the need of the customer.

About Coda Octopus

Founded in 1994 as Coda Technologies, Coda Octopus is recognized internationally as a leading developer of underwater technologies for imaging, mapping, and defense and survey applications. Based in New York, with R&D, manufacturing, and sales facilities in the UK, Norway, Florida and Washington, D.C., its key products include Octopus precision motion sensors, Coda and Octopus marine software and systems, Octopus thermal printers and the unique Coda Echoscope(TM) -- the first real time 3D subsea sonar with a variety of applications within navies and for subsea construction. The Coda Echoscope(TM) is the heart of the Coda Underwater Inspection System used for homeland security in ports around the world. With this patented new product, which revolutionizes subsea visualization, Coda Octopus believes it is well on its way to becoming the world's leading sonar technology company.

For further information, please visit http://www.codaoctopus.com or contact Coda Octopus at info@codaoctopus.com

Safe Harbor Statement: Except for historical information, the matters set forth herein, which are forward-looking statements, involve certain risks and uncertainties that could cause actual results to differ. Potential risks and uncertainties include, but are not limited to, market acceptance of Coda Octopus' planned products and their level of sales, the competitive environment and successful technical and economic implementation.

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