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Coda Octopus Acquires Colmek Systems Engineering

Leader in Port Security Technology Acquires Experienced, Utah-Based Defense Contractor

NEW YORK, NY -- (MARKET WIRE) -- 04/26/07 -- Coda Octopus Group, Inc. (PINKSHEETS: CDOC), a world leader in port security technology, headquartered here, today announced the acquisition of privately held Miller & Hilton d/b/a Colmek Systems Engineering in a cash and stock transaction valued at \$2.075 million. Coda issued 575,000 common shares and paid \$800,000 in cash at closing, with the balance of \$700,000 to be paid in cash over the next 12 months.

For the fiscal year ending October 31, 2006, Colmek's unaudited results of operations generated contract revenues of approximately \$2.8 million and operating income, adjusted for non-cash expenses, such as share-based remuneration, depreciation and amortization of approximately \$230,000.

Founded in 1977 and based in Salt Lake City, Colmek is a well-respected systems integrator with more than 25 years of experience working on classified government projects. The company currently serves as a subcontractor for such important primes as Northrop Grumman, Raytheon, and SAIC. An ISO9001 compliant company with secure facilities, Colmek has specialized skills in systems integration, hardware and systems design. The company also has 30 years experience and world-class expertise in deep-sea telemetry. Its clients include some of the finest cutting-edge technology companies and organizations in the world, as well as several government agencies.

According to Jason Reid, President and CEO of Coda Octopus Group, "Colmek brings to Coda Octopus invaluable connections and clearances, excellent US facilities, and world-class engineering talent."

He said, "Colmek has already introduced Coda to several important customers, and will greatly enhance the Company's ability to contract with multinational corporations and with US government agencies such as the Department of Homeland Security, the Department of Defense, the Navy and the Coast Guard."

Scott DeBo, CEO of Colmek, said, "All of us at Colmek Systems Engineering are excited to be part of a fast growing Homeland Security company. In recent years, Colmek has not taken maximum advantage of its technology and excellent customer relationships, primarily due to its ownership structure. Now, working together with Coda Octopus, we think there is an excellent opportunity to deliver solid growth in revenues and in profits."

For further information on Colmek Systems Engineering, please visit its website www.colmek.com.

About Coda Octopus

Founded in 1994, 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, and Florida, 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 sub sea sonar with a variety of applications within navies and for sub sea construction. The Echoscope is the heart of the Coda Octopus Underwater Inspection System used for homeland security in ports around the world. With this patented new product, which revolutionizes sub sea 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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