

May 4, 2007



Coda Octopus Completes Financing; Raises Additional \$1,745,000 in a Private Placement

NEW YORK, NY -- (MARKET WIRE) -- 05/04/07 -- Coda Octopus Group, Inc. (PINKSHEETS: CDOC), world leader in underwater port security technology, headquartered here, announced it completed yesterday its financing (the first part of which closed on April 3, 2007 in which it raised \$13,255,000) by entering into final definitive agreements which today yields \$1,745,000 in a private placement for the sale and purchase of 1,745,000 units priced at \$1.00 per unit to several institutional and individual accredited investors. Each unit consists of one share of common stock, one half warrant exercisable at \$1.30 per share and one half warrant exercisable at \$1.70 per share. T.R. Winston & Company acted as the placement agent.

The Company is under an obligation to register the newly issued shares of common stock and those underlying the Warrant Shares in accordance with Securities Exchange Commission regulations.

Net proceeds from the private placement will be used for working capital.

Jason Reid, Coda Octopus President and CEO, said, "We are pleased by the quality of institutional participation and view the placement as providing the Company with the capital it needs to fully implement its business plans, and to move as rapidly as possible to gain a listing for its stock on an appropriate national exchange."

About Coda Octopus

Founded in 1994, Coda Octopus is recognized internationally as a leading developer of underwater technologies for imaging, mapping, 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 -- 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, access to the capital necessary to finance and grow the business, a highly competitive environment in the security field that includes numerous large and well established companies much larger than ours, and our ability successfully deploy our technologies and products to meet the technical demands and market requirements of our customers.

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