

June 21, 2007



# **Coda Octopus Group, Inc. Subsidiary Completes \$1.56 Million Contract With Raytheon Missile Systems**

NEW YORK, NY -- (MARKETWIRE) -- 06/21/07 -- Coda Octopus Group, Inc. (PINKSHEETS: CDOC), a world leader in underwater terrorism prevention, headquartered here, today announced a contract with Raytheon Missile Systems for approximately \$1,560,000, through its wholly owned subsidiary Colmek Systems Engineering.

The contract is for the upgraded design and production of electronic chassis for the highly robust, integrated Phalanx in-close weapons defense system utilizing advanced RADAR and Infrared Video to locate and destroy incoming hostile threats. The Company said the contract, which is initially for a period of eight months, has resulted in an immediate doubling of production output at Colmek's Salt Lake City headquarters and a backlog of work stretching ahead for at least the next twelve months. This contract comes shortly after the awards of \$476,000 and \$212,000 for the continued development of the US Navy's mine-hunting towfish. Colmek provides the airborne and land based recording, display and digital processing for the Laser and Sonar based system, which rides aboard the MH-53E Helicopter. Based in Salt Lake City, Colmek had revenues for FY 2006 of \$2,900,000.

According to Jason Reid, Coda's President and CEO, "The Raytheon contract is an excellent illustration of the best-of-class engineering skills and business relationships Colmek Systems Engineering brings to the Coda Octopus Group. We believe these skills and relationships will be of tremendous value to Coda in its efforts to win contracts and deliver real-time 3D sonar systems to port authorities, governments, and prime contractors like Raytheon on a worldwide basis."

On April 26, 2007, Coda announced the acquisition of Colmek Systems Engineering in a cash and stock transaction valued at \$2,075,000, with \$800,000 cash paid at closing.

For further information on Colmek Systems Engineering, please visit its website [www.colmek.com](http://www.colmek.com).

## **About Coda Octopus**

Founded in 1994 as Coda Technologies, 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 the successful

launch of this patented new product, which revolutionizes sub sea visualization, Coda Octopus believes it has established itself as the world leader in underwater port security technology.

For further information, please visit <http://www.codaoctopus.com> or contact Coda Octopus at [info@codaoctopus.com](mailto: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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