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Coda Octopus Group, Inc. Subsidiary Completes \$1.36m Follow-On Contract With Raytheon Missile Systems

NEW YORK, NY -- (MARKET WIRE) -- 02/04/08 -- Coda Octopus Group, Inc. (OTCBB: CDOC), a world leader in underwater security and terrorism prevention, today announced a follow-on contract with Raytheon Missile Systems of Louisville, Kentucky worth approximately \$1.36m through its wholly owned subsidiary Colmek Systems Engineering.

The contract award follows the successful completion of the \$1.56m contract Colmek signed in June 2007 with Raytheon to upgrade the design and to produce VME based chassis units for the highly robust, integrated Phalanx In-Close Weapon System.

The newly awarded contract calls for Colmek to build 49 VME chassis units (consisting of a 21-Slot VME design) for Phalanx; in addition, Colmek will produce another 40 VME chassis units (built to a custom 13-Slot VME Chassis design). The system will be used by the US Navy as an integral electronic component in the fire-control system of the Phalanx In-Close Weapon System.

Phalanx is a defense weapon operating on most U.S. warships, and has been gaining interest as a ground-based defensive weapon as well as a defendant of high-value civilian installations, such as oil-platforms. Phalanx is also used by numerous foreign militaries. This is the latest order in a series of engineering and production orders dating back to 2003.

John Eagles, Raytheon Missile Systems, Louisville, commented that, "We are delighted to expand our relationship with Colmek. They are a reliable supplier who work to timely production schedules and are a valuable component of the development of the Phalanx In-Close Weapon System."

Scott DeBo, Colmek President and CEO, commented that, "We are very pleased with the most recent order from Raytheon, and believe this is an extension of our good working relationship, further evidence of our commitment to working closely with Raytheon, and a tribute to the quality of product delivered over the past several years."

Colmek expects to complete delivery of the current order by August 2008.

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

About Coda Octopus Group, Inc.

Originally founded in 1994 as Coda Technologies, the CodaOctopus Group has grown to encompass five companies and is headquartered in New York. All of the Group companies operate within the technology innovation, product development and engineering services

sphere with facilities in Washington D.C., Florida, Utah, New York, the UK and Norway. Alongside providing custom engineering and development to navies, oil and gas, nuclear and medical clients around the world, one of the key products is the Coda Echoscope(TM) -- the first real time 3D subsea sonar. The Coda Echoscope(TM) is the heart of the Coda Underwater Inspection System(TM) being adopted for homeland security in ports around the world. With this patent revolutionizing subsea visualization, and the existing systems integration skills within Colmek Systems Engineering, Inc and Martech Systems Engineering Ltd, the Coda Octopus Group companies believe they are well on the way to becoming the world's leading integrated sonar technology supplier.

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

Safe Harbor Statement:

This press release contains certain forward-looking statements. These forward-looking statements can generally be identified as such because the context of the statement will include words such as Coda Octopus Group plans, expects, should, believes, anticipates or words of similar import. Stockholders, potential investors and other readers are cautioned that these forward-looking statements are predictions based only on current information and expectations that are inherently subject to risks and uncertainties that could cause future events or results to differ materially from those set forth or implied by the forward-looking statements. Certain of those risks and uncertainties are discussed in registration statement on Form SB-2 and 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 to deploy our technologies and products to meet the technical demands and market requirements of our customers. These forward-looking statements are only made as of the date of this press release and Coda Octopus Group does not undertake any obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

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