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Department of Defense Funds Coda Octopus Additional $1.53 Million to Enhance and Build Further Underwater Inspection Systems

NEW YORK--(BUSINESS WIRE)--

Coda Octopus Group, Inc. (OTCBB: CDOC), a world leader in underwater terrorism prevention, said today it had received notification of an additional $1.53 million from the Department of Defense (DoD) Technical Support Working Group (TSWG) to develop certain technological enhancements to its Underwater Inspection System (UIS) that enables rapid underwater searches in the nation's ports and waterways by the US Coast Guard and other security organizations concerned with maritime domain awareness.

This additional funding follows the successful completion of the initial delivery based on the contract signed in July 2007 between Coda Octopus and TSWG. In the first round, the Company produced four UIS for the US Coast Guard within a six month timeframe. This additional funding takes the total value utilized under the contract signed in July 2007 to $4.2 million.

If fully funded, the contract could expand to a total of $8.27 million and would require the Company to deliver a total of ten UIS systems. In addition, the Company would develop a number of significant enhancements which could include next-generation software enabling port authorities to automatically determine significant changes between one underwater search and the next. This time saving improvement to maritime domain awareness would provide the tools to detect underwater IEDs or hazardous devices that have been placed in critical areas between searches.

About Coda Octopus Group, Inc.

Originally founded in 1994 as Coda Technologies, the Coda Octopus 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 and which can be linked to land based surveillance systems utilizing secure wireless communications developed by Innalogic, Inc. 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.

About the Technical Support Working Group (TSWG)

TSWG (http://www.tswg.gov/tswg/about/about.htm) is the U.S. national forum that identifies, prioritizes, and coordinates interagency and international research and development (R&D) requirements for combating terrorism. The TSWG rapidly develops technologies and equipment to meet the high priority needs of the combating terrorism community, and addresses joint international operational requirements through cooperative R&D with major allies.

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.

Source: Coda Octopus Group, Inc.