

July 23, 2012



Coda Octopus Group Inc. Agreement Reached on Restructuring of Debt

LAKELAND, FL -- (Marketwire) -- 07/23/12 -- As part of its continued restructuring efforts, Coda Octopus Group, Inc. (PINKSHEETS: CDOC) has reached agreement with the holder of the Company's senior secured debt, Solidor Investments Limited ("Solidor"), on the restructuring of the debt.

Under the current terms of the Debenture, the debt accrues interest at the rate of 8.5% per annum, or \$1,020,000 on the current outstanding principal ("Yearly Interest Payment"). Interest payments are payable in cash in equal parts bi-annually. Solidor and Coda Octopus have entered into a Deed of Amendment of the Debenture Instrument, to reduce the Yearly Interest Payment with immediate effect as follows:

- i. \$250,000 payable no later than 1st November each year until maturity or redemption of the debt whichever occurs first;
- ii. The balance of \$770,000 will continue to accrue but is not payable until maturity of the debt.

In addition, the Board has approved the issuance of 15,315,316 shares of our common stock to Solidor in lieu of \$1,020,000 of past due Yearly Interest Payment and for forgiving all Default interests which have accrued to date on the Yearly Interest Payment.

Following the Deed of Amendment all past breaches of covenants have been waived.

Under the terms of the Deed of Amendment should we fail to make the revised and agreed interest payments when due, the payment will revert to the original terms, meaning that the Yearly Interest Payment will be \$1,020,000.

In addition the Company has agreed to meet formally with Solidor once annually, following filing of our annual results to review the affordability of these interest payments, and revise upwards where our cash flow permits.

Annmarie Gayle, Group CEO, commented: "This is a major step forward for the Company releasing, as it does, \$1,020,000 once off and up to \$770,000 cash annually henceforth into the business for onward development of the Company's patented technology and product range, and its marketing capability. Retention of this amount of cash in the business benefits all shareholders and other stakeholders and underscores the confidence that stakeholders have in the success of the restructuring of the Company to date."

About Coda Octopus Group, Inc.

Originally founded in 1994 as Coda Technologies, the Coda Octopus Group is now headquartered in Lakeland, Florida. The Group consists of a Marine Products business in Florida and Edinburgh, Scotland, and engineering businesses in Utah and Weymouth,

England. Each of the Group companies are technology innovators with a particularly high level of sonar expertise. The Group has facilities in Florida, Utah, the UK and Norway.

Alongside providing custom engineering and development for defense applications, and oil and gas companies, one of the Group's key products is the Coda Echoscope® -- the first real time 3D sub sea sonar. The Echoscope® is also at the heart of the Underwater Inspection System™ which is being adopted for homeland security, and other applications in ports around the world.

With this patented revolutionizing sub-sea visualization capability, and the existing systems integration skills within Colmek Systems Engineering, Inc and Martech Systems Engineering Ltd, the Coda Octopus Group believes they can become a world leading integrated sonar technology supplier.

For further information, please visit <http://www.codaoctopusgroup.com> or contact Coda Octopus at info@codaoctopusgroup.com. Our Annual Report is filed at www.otcmarkets.com and our symbol is CDOC

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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