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Coda Octopus Group Awarded Contract to Advance U.S. Naval Diving Operations with State-of-the-art Real-time 3D Subsea Intelligence for Next Generation Wearable Head Up Display with Embedded Software

Company chosen to develop breakthrough 3D HUD System with the Applied Research Laboratory at Penn State, as part of a Naval Sea Systems Command (NAVSEA) Program

ORLANDO, FL, February 5, 2018 – Coda Octopus Group, Inc. (CODA) (Nasdaq:CODA), a global leader in real-time 3D sonar technology and real-time subsea intelligence, announced receipt of a follow-on sub-contract award from the Applied Research Laboratory (ARL) at Penn State, a tenured U.S. Department of Defense-designated University Affiliated Research Center, as part of a Naval Sea Systems Command (NAVSEA) program. The award is for the development of a prototype real-time 3D Head Up Display solution for divers, coined the “3D HUD System”. The 3D HUD System will feature both real-time 3D sonar imaging hardware and real-time 3D augmented visualization software by Coda Octopus. CODA’s proprietary technology is the sonar industry gold standard, the world’s only technology that enables real-time visualization of moving objects in the water column in zero visibility conditions and high-resolution volumetric mapping. Coda Octopus’s hardware and software are protected by multiple, long-term U.S. patents.

The 3D HUD System will feed directly into the Divers Augmented Vision Display (DAVD), a head-up display permitting advanced visualization while underwater at any depth, which was created at the Naval Surface Warfare Center Panama City Division (NSWC PCD). The DAVD is a high-resolution see-through head-up display (HUD) embedded directly inside the diving helmet. This new combined capability enabled by Coda Octopus’s premier 3D real-time sonar technology – 3D HUD System feeding DAVD – will significantly advance diving operations and missions and bring increased productivity gains and health and safety benefits to these subsea naval operations. The 3D HUD System prototype is expected to be ready for NAVSEA testing in the second quarter of 2018.

This application of Coda Octopus’s real-time 3D sonar imaging will provide comprehensive underwater scene awareness and management information in real time, irrespective of low or zero visibility conditions. Further, the 3D subsea information will be delivered in real time to multiple parties involved in the operations, including divers in the water and supervisors on the surface. This represents a first, for both the Navy and sonar industry. The Coda Octopus software will also permit a mixed reality 3D view of the subsea world delivering real-time diver location with head tracking, virtual real-time modeling, and on-demand mission

data delivery to the diver supervisor on the surface.

Blair Cunningham, CODA's President of Technology, commented: "We are extremely pleased to be advancing this project with ARL at Penn State, as part of the NAVSEA program. We are particularly excited to bring real-time 3D sonar imaging capabilities and our extensive visualization software capabilities to advance U.S. naval diving operations. This is an innovative and exciting project for CODA as it leverages our market-leading expertise as underwater 3D visualization experts to develop software and interfacing for the 3D HUD System. This is a perfect and highly beneficial application for our technology, and provides a model forum to expand the applications of our proprietary technology. The successful delivery of this project will significantly enhance diving operations both in terms of productivity and safety, with participation from both divers in the water and supervisors on the surface.

About Coda Octopus Group, Inc.

Originally founded in 1994 as Coda Technologies, the Coda Octopus Group's patented real-time 3D subsea sonar technology, Echoscope®, enables real-time 3D imaging and mapping in zero visibility conditions underwater, and is used globally in numerous applications including defense, marine construction, oil and gas subsea infrastructure installation and surveys, and port and harbor security. For further information, please visit <http://www.codaoctopusgroup.com> or contact us at: cogi@codaoctopusgroup.com.

About The Applied Research Laboratory (ARL) at Penn State

The Applied Research Laboratory (ARL) at Penn State is an integral part of the University and was established in 1945 at the request of the U.S. Navy. Originally focused on undersea weapons technology development, ARL now includes a broad research portfolio addressing the needs of various sponsors. As a Department of Defense (DoD) designated University Affiliated Research Center (UARC), ARL conducts essential research, development, and systems engineering in support of our nation's priorities free from conflict of interest or competition with industry. The ARL's Undersea Systems Office serves as a research center of excellence in undersea weapons, unmanned undersea vehicles, and advanced sonars supporting our national security and undersea warfare sponsors through the development and demonstration of science and technology with the expertise, tools, and processes to take concepts from the early developmental phase through transition to industry and the fleet. For further information, please visit <https://www.arl.psu.edu/>.

About Naval Surface Warfare Center Panama City Division (NSWC PCD)

The mission of Naval Surface Warfare Center Panama City Division is to conduct research, development, test and evaluation, and In-Service support of Mine Countermeasure Systems, Naval Sea Mine Systems, Naval Special Warfare Systems, Amphibious & Expeditionary Maneuver Warfare Systems and support all other systems that occur primarily in coastal or littoral regions. Today, Naval Surface Warfare Center Panama City Division is one of the major research, development, test and evaluation laboratories in the U.S. Navy and boasts a wide base of expertise in engineering and scientific disciplines. By October 2017, the command employed more than 1,400 civilian employees of which over 800 were scientists and engineers. NSWC PCD prides itself of being good stewards of the environment and taxpayer dollar. The command has a business base of more than \$400 million of which \$330

million goes back into the State of Florida through labor dollars, contract services, and local goods. For further information, please visit <http://www.navsea.navy.mil/Home/Warfare-Centers/NSWC-Panama-City/>.

Forward Looking Statement

This press release contains forward-looking statements concerning Coda Octopus Group, Inc. within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those forward-looking statements include, without limitation, statements regarding the Company's expectations for the growth of the Company's operations and revenue. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, customer demand for our products and market prices; the outcome of our ongoing research and development efforts relating to our products including our patented real time 3D solutions; our ability to develop the sales force required to achieve our development and other examples of forward looking statement set forth in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on January 30, 2018. Coda Octopus Group, Inc. does not undertake, and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

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