



Fiber Optic Systems Technology, Inc.
(TSXV:FOX)

NEWS RELEASE

FOX-TEK Announces Q3 2004 Results

TORONTO, Ontario (November 29, 2004) – Fiber Optic Systems Technology, Inc. (the “Company” or “FOX-TEK”), a developer of patented fiber optic sensing products, today announced its unaudited financial results for the three and nine months ended September 30, 2004.

Q3 Highlights:

- Cash position increased to \$1.4 million as at September 30, 2004
- Company has begun to recognize modest revenues from its early activities in the oil and gas industry

“With FOX-TEK’s strong financial results this quarter and the recent completion of our IPO, we believe the company has the financial resources needed to execute its marketing strategy and build customer acceptance among key companies in the global oil and gas industry,” said Gary W. Jolly, President and CEO, FOX-TEK. “We are pleased with the results of our efforts to date and expect that by continuing to execute our business and development plans, we can generate value for our shareholders over time.”

On October 22, 2004 FOX-TEK announced that it completed its Initial Public Offering by issuing 5,454,546 common shares to raise gross proceeds of \$3,000,000. On October 25, 2004 FOX-TEK commenced trading on the TSX Venture Exchange under the symbol “FOX”.

Q3 Results

For the three and nine months ending September 30, 2004, FOX-TEK’s cash position was \$1.4 million compared to \$77,000 at December 31, 2003. The increase is mainly the result of the company’s private placement of special warrants in March of 2004.

The loss from operations for Q3 2004 was \$492,000, compared to \$350,000 during the third quarter of 2003. The year-to-date loss for 2004 increased to \$1,351,000 versus a loss of \$942,000 for the first nine months of 2003, due in large part to increased activity in Selling and related General and Administrative activities. The Company generated gross revenues of \$28,000 for the quarter as a result of its initial sales activities in the oil and gas industry.

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About Fiber Optic Systems Technology

Established in 2000, FOX-TEK has developed patented fiber optic sensing products that deliver a cost-effective solution for companies to continually monitor their critical infrastructure and detect and prevent high-consequence or catastrophic occurrences. The company's primary market is the global oil and gas industry, for the monitoring of pipelines and refineries. In addition to its monitoring systems, FOX-TEK delivers a full range of professional services to its customers, including engineering design services, training, supervision of on-site installation and turnkey fiber optic sensing systems. FOX-TEK is headquartered in Toronto, Ontario and is traded on the TSX Venture Exchange under the symbol "FOX".

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This press release contains forward looking statements based on assumptions, uncertainties, and management's best estimates of future events. Actual results may differ materially from those currently anticipated. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Important factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements are detailed from time to time in FOX-TEK's periodic reports filed with the Ontario Securities Commission and other regulatory authorities. FOX-TEK has no intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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