

FOR IMMEDIATE RELEASE

TSX Venture Exchange symbol: FOX

FOX-TEK Presence in Russia Expands with Major Pipeline Fabricator

FT System In Tests for Upcoming Gazprom Pipeline Project

TORONTO, Ontario (July 19, 2007) – Fiber Optic Systems Technology, Inc. (“FOX-TEK”), (TSX-V: FOX), a developer and manufacturer of patented non-intrusive sensing systems, today announced its technology has been selected to monitor a pilot project for a major new undersea pipeline that will deliver natural gas from Russia.

FOX-TEK’s FT Systems have been installed and are currently gathering data about the bending behavior of a new type of concrete ballasted steel pipe. After certification from the testing program, the pipe will be fabricated and installed as the undersea component of an upcoming project supported by OAO Gazprom.

The project is a direct result of FOX-TEK showcasing its products with JSC Krasnodargazstroy at the Moscow International Oil and Gas Exhibition two weeks ago.

“Being the first of its kind in the world, this new pipe design required specific monitoring capabilities in order to ensure its integrity, and our FT system is the most viable solution to address these needs,” said Dr. Essam Zaghoul, FOX-TEK president and CEO. “With the impressive speed at which Russian companies adopt new technologies that benefit their bottom line, we’re eager to move forward with the additional relationships we’ve developed within this growing region.”

About FOX-TEK:

Fiber Optic Systems Technology, Inc. "FOX-TEK" develops non-intrusive asset health monitoring sensor systems for the oil and gas market to help operators track the thinning of pipelines and refinery vessels due to corrosion/erosion, strain due to bending/buckling, and process pressure and temperature. FOX-TEK's FT fiber optic sensor and Pinpoint systems allow cost-effective, 24/7 remote monitoring capabilities to improve scheduled maintenance operations, avoid unnecessary shutdowns, and prevent accidents and leaks.

FOX-TEK has offices in Toronto, ON, Calgary, AB, Houston, TX, and Al-Khobar, Saudi Arabia. FOX-TEK is traded on the TSX Venture Exchange under the symbol “FOX”. For more information, visit www.fox-tek.com.

About JSC Krasnodargazstroy (KGS):

JSC Krasnodargazstroy is one of Russia’s leading pipeline construction and repair companies. The company is a subsidiary of OAO Gazprom, the world’s largest gas company. JSC Krasnodargazstroy has five offices across Russia with approximately 6,000 engineering, construction, and sales staff. The company has international quality certification in all areas of construction and repairs and has built or repaired major gas and oil pipelines in Russia, Algeria,

Iran, Iraq, Libya, Nigeria, Finland, and Cuba. For general information visit <http://gazstroy.com/eng/>

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.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

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