

FOR IMMEDIATE RELEASE

TSX Venture Exchange symbol: FOX

TransGas Ltd. Installs FT System on Pipeline to Protect Heritage Area
Monitoring of Gas Line in Wilderness Region Assures Safe Operations

TORONTO, Ontario (July 29, 2008) – Fiber Optic Systems Technology, Inc. (“FOX-TEK”), (TSX-V: FOX), a developer and manufacturer of patented non-intrusive sensing systems, today announced the sale of a pipeline strain remote monitoring system to TransGas Ltd., of Regina, SK.

FOX-TEK’s FT 3415 remote monitoring system, with solar power and satellite communications, will take daily measurements of both axial and bending strains to assure structural integrity of a major intercity gas pipeline which runs through an isolated environmentally sensitive area. TransGas chose the FOX-TEK remote system to directly assess the strain on the pipeline, as opposed to inferring pipeline strain through the monitoring of soil movement.

Sean Carr, FOX-TEK’s Interim President & CFO, commented “TransGas is a progressive company that recognizes the value of continuously monitoring the structural integrity of their pipelines, particularly in high consequence areas. Our engineers will analyze the data sent by the FT system’s satellite link and send TransGas timely reports. Our rapid analysis and reporting will insure that TransGas continues to supply gas to their customers, while insuring that no environmental upsets occur. Sales to customers, such as TransGas, show that the benefits of the FT monitoring system are being recognized within the oil and gas industry.”

A TransGas company spokesperson said “The FT System is a new tool to help us insure that we reliably supply natural gas to our Saskatchewan customers, while guarding the pristine state of Heritage sites that our pipelines cross. The analysis we receive from FOX-TEK will give us an early warning of any excessive strain that may adversely affect our pipeline in that area. We will be able to conveniently schedule any required remediation to minimize the impact on the pipeline as well as the surrounding Heritage land.”

About FOX-TEK:

Fiber Optic Systems Technology, Inc. "FOX-TEK" develops and sells 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, monitor strain due to bending/buckling or soil movement, check for leaks, and prevent unauthorized access.

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.

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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