

FOR IMMEDIATE RELEASE

TSX Venture Exchange symbol: FOX

Advanced Sleeved Pipeline Modeling Project Completed for Major Middle East Producer
Modeling is precursor to instrumenting pipeline sections to ensure safe operations

TORONTO, Ontario (December 17, 2008) – Fiber Optic Systems Technology, Inc. (“FOX-TEK”), (TSX-V: FOX), a developer and manufacturer of patented non-intrusive sensing systems, today announced the completion of a project involving modeling of a problem involving sleeved crude oil pipelines.

The project, undertaken for a very large oil and gas producer in the Middle East, is the initial step in a multi-stage program to sharpen the company’s ability to predict and prevent possible failures in pipe sections.

Dr. Don Morison, FOX-TEK’s Chief Technology Officer, said “The results of the modeling enable FOX-TEK to determine where our FT and FBG fiber optic sensors need to be installed on these double-walled pipe sections. This will allow our client to measure changes in strains before the damage occurs. Our client plans some controlled tests soon, and after these are analyzed, intends to install sensors and monitors to check operational pipeline sections in the field.”

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; 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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