



FOR IMMEDIATE RELEASE

TSX Venture Exchange symbol: FOX

FOX-TEK Announces:

- **The bankruptcy of one of its' Subsidiary companies**
- **A Non-Brokered Private Placement**

TORONTO, Ontario (March 26, 2010) – Fiber Optic Systems Technology, Inc. (“FOX-TEK”), (TSX-V: FOX), a developer and manufacturer of patented non-intrusive sensing systems, today announced that one of its subsidiary companies, Fiber Optic Systems Technology (Canada), Inc. (“FOX-TEK Canada”), will file for bankruptcy. The FOX-TEK Board of Directors has, after careful deliberation, consultation with its professional advisors and extensive consideration of all other alternatives, resolved that the company take this action in the interests of FOX-TEK, its employees, customers and other stakeholders. FOX-TEK expects that this restructuring will have minimal effect on its ongoing operations.

FOX-TEK has been trying to refinance its activities since the fall of 2009 and has been unsuccessful due to, among other things, the adverse court judgment against FOX-TEK Canada originally announced on November 27, 2009. This bankruptcy will allow FOX-TEK to isolate the judgment as well as some long term leases on premises that are no longer required and reduce our monthly expenses by approximately \$25K. In total, FOX-TEK will reduce its liabilities by approximately \$1M.

FOX-TEK also announces its intention to complete a non-brokered private placement of secured convertible debentures with detachable warrants up to a maximum amount of \$500K. The debentures will bear interest at a rate of 12% per annum payable on maturity in cash or units, at the option of the debenture holders. Each unit will be comprised of one common share and one warrant. Each warrant entitles the holder to purchase one common share at \$0.09 for a period of 24 months from the closing date of the offering. For purposes of the interest calculation and conversion of the debentures, the share price will be \$0.09. All or any part of the principal of the debenture can be converted into common shares by the holder prior to maturity. The debentures will mature on the earlier of six months from the date of issuance or the completion of an equity financing with gross proceeds to FOX-TEK in excess of \$1.5M. The debentures are secured by a first charge on the assets of FOX-TEK.

Each subscriber will also receive a number of detachable warrants equal to the number of common shares that would be issued if all of the principal of the subscribed for debenture was converted into common shares of FOX-TEK. Each such warrant entitles the holder to purchase one common share of FOX-TEK at \$0.09 for a period of 24 months from the closing date of the offering.

The offering is open to accredited investors. It is anticipated that insiders of FOX-TEK will subscribe for more than 25% of the offering. Completion of the debenture financing is subject to a number of conditions, including the receipt of all necessary regulatory approvals.

The proceeds of the private placement are to be used for working capital and general corporate purposes, with the closing scheduled to occur within the next 14 days. This financing will provide FOX-TEK with sufficient working capital to December 31, 2010, complete the planned bankruptcy of FOX-TEK Canada, year-end filing obligations and pursue the opportunity discussed below.

FOX-TEK is also in advanced discussions with a large global oilfield service company regarding the use of our PinPoint technology as part of its product offerings. While management is optimistic that some form of agreement may be reached, no agreement is currently in place and no products have yet been ordered.

“We are very pleased to have lined up a financing for FOX-TEK,” noted Sean Carr, President & CFO of FOX-TEK. We can now refocus our efforts on the ongoing discussions that FOX-TEK has been having with the major users of our technology.”

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 and Alberta; 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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