



**FOR IMMEDIATE RELEASE**

**TSX Venture Exchange symbol: FOX**

## **FOX-TEK ANNOUNCES FIRST QUARTER RESULTS**

**TORONTO, Ontario, (May 31, 2010)** -- Fiber Optic Systems Technology, Inc. ("FOX-TEK"), (TSX-V: FOX), a developer of patented non-intrusive sensing systems, today announced financial and operating results for the period ended March 31, 2010. The quarterly statements have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)). All amounts are expressed in Canadian dollars unless otherwise noted.

### **Q1 2010 Developments:**

- **Revenue totaled \$121,000.**
- **Fiber Optic System Technology (Canada) Inc, ("FOX-TEK Canada"), a wholly owned subsidiary of FOX-TEK, filed for bankruptcy on March 29, 2010.**
- **Operating expenses decreased by \$106,000, comparing Q1-2010 to Q1-2009.**
- **Cash on hand was \$29,000 at March 31, 2010.**

Among the financial results for the period ended March 31, 2009, FOX-TEK reported revenue of \$121,000 compared to \$277,000 in 2009. The net loss for the first quarter of 2010 was \$580,000 or \$.01 per share, compared to a net loss of \$606,000, or \$.01 per share in the first quarter of 2009.

As part of the bankruptcy proceedings, FOX-TEK Canada, held a meeting for all of its suppliers on April 19, 2010 and tendered its assets on May 11, 2010. No tender bids were received by FOX-TEK, so the assets of FOX-TEK Canada will divert to FOX-TEK in satisfaction of its secured intercompany loan agreement. The trustee of FOX-TEK Canada expects these proceeding will be finalized by the end of June 2010.

### **Subsequent events:**

- **FOX-TEK signed a non-binding letter of intent with Marcon International Inc. on April 6, 2010.**
- **On May 7, 2010 FOX-TEK announced the successful closing of its non-brokered private placement.**
- **Material orders received, totaling \$520,000 for 9 PinPoint systems.**

For greater details of these events please referred to the most recent Financial Statements and the Management Discussion and Analysis now available on SEDAR ([www.sedar.com](http://www.sedar.com)).

### **About FOX-TEK:**

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 its headquarters in Toronto, ON, and is traded on the TSX Venture Exchange under the symbol "FOX". For more information, visit [www.fox-tek.com](http://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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