

**FOR IMMEDIATE RELEASE**

**TSX Venture Exchange symbol: FOX**

**FOX-TEK Business Grows in Saudi Region with Major Pipeline Contract**  
*Agreement with Mideast Oil Company to Monitor Remote Pipeline*

TORONTO, Ontario (June 5, 2007) – Fiber Optic Systems Technology, Inc. (“FOX-TEK”), (TSX-V: FOX), a developer of patented non-intrusive sensing systems, today announced a deal with a major Middle East oil company to jointly develop a new pipeline fault detection system for remote pipelines throughout the region. This contract will have a value of more than USD \$200,000.

“Moving forward with this project highlights the significant growth we continue to experience in the Middle East,” said Thierry Cherpillod, FOX-TEK’s Director of Operations - Saudi Arabia. “This client’s scientific skills and extensive field knowledge are unquestioned. Matching their expertise with our innovative technology adds a key element to maintaining the integrity of the pipelines currently at risk.”

FOX-TEK will be working closely with the company’s research group and field engineers to develop a new system that will monitor/detect the events that could potentially lead to a pipe failure. FOX-TEK’s FT monitoring system utilizes fiber optic sensors bonded to the exterior of the pipeline to alert operators at the first sign of conditions that lead to such failures.

“This project illustrates yet again the benefits of having an office in Saudi Arabia,” said Dr. Essam Zaghloul, FOX-TEK’s president and CEO. “No other offering provides the kind of comprehensive, real-time, continuous monitoring and pipeline failure prevention capabilities. Customer loyalty and satisfaction is garnered through successful results and the opportunity to become a key supplier to this company and further our current relationship is evidence of our ability to repeatedly address the needs of our customers.”

**About Fiber Optic Systems Technology**

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, Calgary, Houston, 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](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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