

FIBER OPTIC SYSTEMS TECHNOLOGY, INC.

-FOX-TEK Announces Results for Year End 2004-

FOR IMMEDIATE RELEASE

March 16, 2005

Fiber Optic Systems Technology, Inc. (TSX VENUTURE:FOX)(the "Company" or "FOX-TEK"), a developer of patented fiber optic sensing products, today announced its consolidated financial results for the quarter and year ended December 31, 2004.

2004 Financial Highlights

FOX-TEK's cash position increased to \$3.2 million at December 31, 2004, from \$77,000 at December 31, 2003, primarily due to its receipt of \$2.8 million in net proceeds from a private placement of 6.6 million special warrants in March 2004 and the issuance in October 2004 of 5.5 million common shares in an initial public offering for net proceeds of \$2.3 million. FOX-TEK's working capital increased to \$3.1 million compared with a deficit of \$91,000 in 2003; the Company has no debt, compared to convertible debentures of \$801,000 at the end of 2003.

"These financings reflect a strong sign of confidence from the investor community that our proprietary technology is scientifically sound and has readily apparent real world applications, especially in the oil and gas industry," said Gary W. Jolly, President and CEO, FOX-TEK. FOX-TEK commenced trading on the TSX Venture Exchange under the symbol "FOX" on October 22, 2004. At year end, there were approximately 24 million shares outstanding.

For the year ended December 31, 2004, the net loss increased to \$2.2 million from losses of \$1.4 million in the year ending December 31, 2003. The higher loss reflects the overall costs associated with the beginning of the Company's commercialization stage and the significant costs associated with being a reporting issuer. Consequently, increased spending on staffing and patents in research and development (\$827,000 in 2004 compared with \$692,000 in 2003); higher sales activities generated increased expenses for selling (\$334,000 in 2004 compared with \$108,000 in 2003) and related professional and IR fees in general and administrative activities (\$911,000 in 2004 compared with \$452,000 in 2004).

The Company had modest revenues of \$49,000 from product sales in the 2004 year as its investment in marketing efforts targeted at the oil and gas industry are in the early stages of delivering returns.

More details are contained in the Company's related SEDAR filing.

Oil and Gas Industry Focus

FOX-TEK's near term plan is to focus its sales and marketing activities on the oil and gas industry for which its fiber optic sensing products are uniquely suited.

"As part of our continuing strategy in the oil and gas industry, FOX-TEK is currently in discussions with numerous owners or operators of refinery, pipeline and bitumen processing projects", said Mr. Jolly. "These discussions relate to initial on-site trials for FOX-TEK's products and to test new applications for our technology."

FOX-TEK continues to expand its strategic relationships on a global basis. FOX-TEK has entered into an agreement with Al-Yusr Townsend & Bottum Co. Ltd. (AYTB) which has been appointed as the exclusive agent to provide installation, training and maintenance services for FOX-TEK's products in Saudi Arabia. AYTb is part of the AYTb Group of Companies that provides engineering, procurement, construction and related services to the oil and gas industry and other major industrial sectors in the Gulf region of the Middle East.

About Fiber Optic Systems Technology

Established in 2000, FOX-TEK has developed patented fiber optic sensing products that deliver a cost-effective solution for companies to continually monitor their critical infrastructure and detect and prevent high-consequence or catastrophic occurrences. The company's primary market is the global oil and gas industry, for the monitoring of pipelines and refineries. In addition to its monitoring systems, FOX-TEK delivers a full range of professional services to its customers, including engineering design services, training, supervision of on-site installation and turnkey fiber optic sensing systems. FOX-TEK is headquartered in Toronto, Ontario and is traded on the TSX Venture Exchange under the symbol "FOX".

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.

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