

**FOR IMMEDIATE RELEASE**

**TSX Venture Exchange symbol: FOX**

**CenterPoint Energy Evaluates FOX-TEK Technology to  
Define Corrosion Rates for Natural Gas Pipeline**

**TORONTO, Ontario, (December 19, 2006)** -- Fiber Optic Systems Technology, Inc. (TSX: FOX), a developer of patented fiber optic sensing products, today announced a project for CenterPoint Energy, Inc. (NYSE: CNP) to evaluate a new technology for monitoring internal corrosion in natural gas pipelines. The project is a demonstration of the benefits of using fiber optic sensors to monitor very low internal corrosion rates that may occur in pipelines.

CenterPoint Energy, a large publicly traded natural gas delivery company in the U.S., is evaluating FOX-TEK's fiber optic monitoring system over the course of twelve months on a gas pipeline in northwest Louisiana. The project will involve the comparison of FOX-TEK's measurements to conventional corrosion coupon data. Ultrasonic wall thickness data taken over the FOX-TEK sensors area and on the wall area close to the coupons will be used as a reference.

"The project for CenterPoint Energy will allow us to demonstrate the precise measurement capabilities of our system and its superiority over corrosion coupons," said Dr. Essam Zaghoul, FOX-TEK's president and CEO. "Our fiber optic corrosion monitoring system sidesteps some of the challenges of using coupons and provides an additional toolset to the pipeline industry for the monitoring of critical infrastructure."

The results of the installation are expected to show the benefits of FOX-TEK sensors as a competitive alternative to corrosion coupons. The FOX-TEK system is comprised of non-intrusive fiber optic sensors that are bonded to the exterior of pipelines to continuously monitor wall thinning and determine the rate of corrosion activity. Once installed, this innovative system provides measurements without the requirement for site visits or excavation, eliminating the need to drop line pressure and offering a direct measurement of changes in wall thickness.

"CenterPoint Energy is committed to a philosophy of continuous improvement and considers this project an important step in that process," said CenterPoint Energy's Andrew Pulsifer, Pipeline Integrity Project Manager. "FOX-TEK's ability to non-intrusively track wall thinning by remotely measuring changes on the outside surface of the pipe appears to offer an internal corrosion monitoring solution that is not matched by internal corrosion coupons."

**About Fiber Optic Systems Technology**

Established in 2000, Fiber Optic Systems Technology, Inc. "FOX-TEK" has developed and patented a technology which uses non-intrusive fiber optic sensors to monitor the thinning of pipelines and refinery vessels due to corrosion/erosion, strain due to bending/buckling, and process pressure and temperature. FOX-TEK's system is extremely sensitive and measures changes in pipe wall thicknesses that are a small

fraction of one percent. Its fiber optic sensors are permanently bonded to the outside of a pipe or vessel without the need to halt operations or penetrate the wall, as most other sensor types require. FOX-TEK's sensors are ideal for use near flammable and hazardous materials since they operate on light, not electricity. FOX-TEK's system provides continuous, real-time 24/7 monitoring, which allows an operator to better schedule maintenance operations, avoid unnecessary shutdowns, and prevent accidents and leaks. By allowing operators to know exactly when to perform maintenance on their infrastructure, FOX-TEK's system increases the productive capacity of a refinery or pipeline. 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 monitoring systems. FOX-TEK is headquartered in Toronto, Ontario 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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