

FOR IMMEDIATE RELEASE TSX Venture Exchange symbol: FOX

FOX-TEK EXPANDS MONITORING CAPABILITY ON CRUDE OIL PIPELINE

TORONTO, Ontario (December 21, 2006) -- Fiber Optic Systems Technology, Inc., (FOX-TEK or the "Company") (TSX VENTURE:FOX), a provider of patented fiber optic sensor systems, today announced it has added continuous monitoring and remote data retrieval capability to a previous installation on a large crude oil pipeline in western Canada. This is part of FOX-TEK's recent push to commercially supply non-intrusive fiber optic sensing systems for applications in the Oil & Gas sector such as pipeline bending and internal corrosion monitoring.

Many pipeline corrosion monitoring sites equipped with FOX-TEK's permanently installed fiber optic sensors are well served by periodic site visits to gather the latest data. Other sites benefit from continuous monitoring; especially, when the data can be retrieved over a cellular network.

The pipeline company asked FOX-TEK to add the continuous monitoring capability to establish a baseline for the corrosion conditions during two one week campaigns spaced a month apart. This approach provides a rich base of data, making it easier to establish the initial conditions upon which the ongoing monitoring program will be based. The remote monitoring is a money-saving feature that significantly reduces the ongoing cost of sending personnel to the site just to gather data.

President and CEO of FOX-TEK, Dr. Essam Zaghoul, said "Adding this capability at an existing customer's site shows our commitment to provide the most reliable, cost-effective solutions for our customers to help them achieve their goal of improving pipeline integrity.

On an unrelated matter, FOX-TEK today announced the resignation of Mr. Gary Jolly as Executive Chairman and Director of the organization. Mr. Jolly will leave his position at FOX-TEK at the end of 2006. Dr. Zaghoul, in addition to his role as President and CEO, will serve as the Chairman of the Board.

"I have valued my time here at FOX-TEK and anticipate continued success for the Company," said Mr. Jolly.

Dr. Zaghoul stated, "Gary has truly been an asset to the Company and we appreciate his valuable contributions during the R&D phase."

FOX-TEK also announces that the special shareholders meeting will now be held on January 23, 2007 instead of January 10, 2007. The Notice of Meeting and Information Circular will be distributed by FOX-TEK in the near future.

FOX-TEK further announced that 50,000 options have been granted to an officer of the Company. The options have a term of 5 years and vest in three equal annual installments with an exercise price of \$1.33, being the closing price of FOX-TEK shares on December 19, 2006.

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".

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 securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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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