

FOX-TEK's Fiber Optic Corrosion Monitoring System Proves Successful at Saudi Aramco

Middle East Site Results Validate Critical Corrosion Monitoring Capabilities

TORONTO, Ontario, (January 11, 2007) -- Fiber Optic Systems Technology, Inc. ("FOX-TEK") (TSX-V: FOX), a developer of patented fiber optic sensing products, today announced the successful findings of a joint field trial conducted with Saudi Arabian Oil Company ("Saudi Aramco"). The objective of the program was to evaluate the performance of FOX-TEK'S fiber optic sensor system, which was designed to be ideally suited for corrosion monitoring in difficult to access areas. These areas include many elevated refinery components, such as elbows, reducers and buried pipelines in oil and gas gathering and distribution systems. The results proved the effectiveness of FOX-TEK's fiber optic sensors for continuous monitoring of wall thickness losses due to flow-enhanced corrosion.

Traditionally, the oil and gas industry has relied on conventional corrosion monitoring techniques such as corrosion coupons or ultrasound monitoring probes for periodic integrity inspections of pipeline and refinery components. In contrast to FOX-TEK's system, however, many of these approaches lack the real-time ability to report representative corrosion rates. In some cases, conventional corrosion monitoring techniques can result in inaccurate, unrepresentative, or misleading information. These reliability issues, coupled with the high costs associated with accessing areas such as elevated refinery components and buried pipelines, point to the need for a permanent installation capable of directly and reliably monitoring wall loss. FOX-TEK's corrosion monitoring system satisfies these needs, is cost effective and, at its root, supports the philosophy behind a "best practices" approach to risk assessment.

Underscoring one of the key cost benefits, the six-month test required no shutdown time as FOX-TEK installed eight of its sensors in a Saudi Aramco gas processing plant in the Eastern Province. The non-intrusive nature of the system allowed for the sensors to be installed on the exterior of a 12-inch by 20-inch reducer during regular operations. Chosen to prove FOX-TEK's unique ability to monitor corrosion in difficult-to-access areas, the scenario represented a complex configuration and continual exposure to non-uniform stresses. The raw data collected by the FOX-TEK's system was downloaded, archived and analyzed by FOX-TEK engineers using proprietary software developed in-house. This allowed FOX-TEK to report on changes in the reducer's pressure, surface temperature, and wall thinning while generating accurate trends.

"The strength of our technology lies in its proactive capability to minimize unplanned shutdowns and significantly reduce costs through accurate, real-time monitoring of corrosion-induced stress and strain on today's aging pipelines," said Essam Zaghoul FOX-TEK's President and CEO. "As exemplified by Saudi Aramco, oil and gas companies have a corporate responsibility to ensure the necessary steps are being taken to maintain pipeline integrity. The successful results achieved by this field test validate the reliability of our offering, but more importantly confirm for the industry, the availability of more precise and less intrusive technologies to monitor pipeline corrosion."

The main findings of the test installation included:

- FOX-TEK's fiber optic sensor technology was found to be in agreement with conventional ultrasound testing for monitoring and calculating reducer wall thickness losses
- FOX-TEK's technology was found to accurately measure wall thickness losses within a pressurized system in critical areas that require continuous monitoring
- FOX-TEK's technology is being considered by Saudi Aramco as a suitable technology for many other corrosion monitoring applications.

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

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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