

FOR IMMEDIATE RELEASE

TSX Venture Exchange symbol: FOX

Petroleum Land Management Director at University of Calgary's Haskayne School of Business Joins FOX-TEK Board

TORONTO, Ontario (January 03, 2007) – Fiber Optic Systems Technology, Inc. ("FOX-TEK"), (TSX-V: FOX), a provider of patented fiber optic sensor systems, today announced that Dr. Bob Schulz has joined the Board. The addition of Schulz, an award-winning professor at the University of Calgary's Haskayne School of Business and author of "Corporate Integrity: A Toolkit for Managing Beyond Compliance," underscores the significant synergies between FOX-TEK's new corrosion monitoring technology and the growing demand for best practices within the oil and gas industry.

An expert on business and environment-related issues and a four-time Who's Who nominee in Canada and the U.S., Dr. Schulz has received 20 awards for outstanding teaching, including a "top 10" ranking among 39,000 professors in Canada. Schulz has helped to develop strategic plans for more than 300 corporations and, as academic coach, has directed teams in 63 national case championships and 5 world-level titles. Schulz is currently a director for a number of private and public companies.

"Much of my career has been spent providing strategic advice to optimize management, and I see FOX-TEK's proactive monitoring approach as a critical technology that will benefit many within the oil and gas industry," said Bob Schulz, Board member of FOX-TEK. "I look forward to working with FOX-TEK to expand the company's strategic capabilities."

"The addition of Dr. Schulz to our Board is a strong testament of FOX-TEK's dedication to strategic positioning in the field," said Dr. Essam Zaghloul, President and CEO of FOX-TEK. "With a track record in world-level titles for strategic management, Dr. Schulz will be invaluable as we move forward with market expansion." Dr. Schulz has been granted 100,000 options which vest in six equal quarterly installments over 18 months with an exercise price of \$1.30 being the closing price of the stock on December 29, 2006.

On the strategic marketing front, FOX-TEK announced that it has signed Antenna Group, Inc. as its public relations agency. The San Francisco-based high-tech public relations firm has the first and leading practice focused on new industrial technologies, which includes advanced energy, cleantech and nanotechnology.

"We've been impressed with how Antenna Group has helped FOX-TEK gain momentum in the oil and gas industry," said Dr. Essam Zaghloul, CEO of FOX-TEK. "Antenna's ability to translate our technology strengths into business benefits provides a context for discussions with the media, which is key to raising awareness and driving adoption of our corrosion monitoring technology."

“FOX-TEK’s technology is aimed at the very heart of the oil and gas industry—preventing unplanned shutdowns and pipeline leaks,” said Melody Haller, Antenna founder and president. “As is the case with most of our new industrial clients, once a ‘clean’ technology begins to have a dramatic impact on corporations’ bottom-lines, its implementation goes beyond the realm of a smart public relations move and begins to gain traction as a strategic investment.”

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 TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this press release.

Company contact:

Dr. Essam Zaghloul, president and CEO, Fiber Optic Systems Technology, Inc.
(416) 665-2288, ezaghloul@fox-tek.com

Media contact:

Caroline Venza, Public Relations, Antenna Group for FOX-TEK
(415) 977-1939, caroline@antennagroup.com

