
FOR IMMEDIATE RELEASE

TSX Venture Exchange symbol: FOX

FOX-TEK Announces Third Quarter 2006 Results

TORONTO, Ontario, (November 2, 2006) -- Fiber Optic Systems Technology, Inc. (the "Company" or "FOX-TEK"), a developer of patented fiber optic sensing products, today announced financial and operating results for its third quarter ending September 30, 2006. The quarterly statements have been filed on SEDAR (www.sedar.com). All amounts are expressed in Canadian dollars unless otherwise noted.

Among the financial results for the three months ended September 30, 2006, FOX-TEK reported revenue of \$20,000 compared to \$90,000 in the third quarter 2005. The net loss for the quarter was \$1,379,000, or \$.04 per share, compared to a loss of \$693,000, or \$.03 per share in the third quarter 2005. The loss reflects the Company's increased expenses as it continues to build the sales, marketing and operational teams working toward successful product roll out and commercialization.

"We're working toward the expansion of our global presence through increased efforts targeting the Canadian, U.S. and Middle Eastern markets," said Dr. Essam Zaghoul, President and CEO of FOX-TEK. "We are currently very focused on achieving sales traction in the oil and gas industry through our sales and marketing efforts to secure our foothold in these markets."

Other Developments

During the third quarter, Dr. Essam Zaghoul joined FOX-TEK as President and CEO to transition the Company from R&D to a global commercialization phase. Dr. Zaghoul is charged with building the foundation for FOX-TEK to assume leadership in the oil and gas industry with its corrosion monitoring and structural integrity systems. With strategic relationships in key markets, Dr. Zaghoul brings to FOX-TEK an impressive track record of growing oil & gas and technology companies.

FOX-TEK also reported in the third quarter that it has secured a purchase order, with the potential for additional orders, with a North American Gas Transmission customer signaling a move toward commercialization and implementation of the Company's fiber optic monitoring system.

Additionally, the Company raised \$6.5 million (net \$5.9 million) in financing through a private placement with Research Capital during the third quarter. The funds are to be used to expedite product rollout and expand FOX-TEK's sales and marketing presence.

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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