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**FOR IMMEDIATE RELEASE**

**TSX Venture Exchange symbol: FOX**

**FOX-TEK TARGETS GLOBAL OIL AND GAS INDUSTRY WITH PRODUCT ROLLOUT  
OF ITS PATENTED FIBER OPTIC MONITORING SYSTEM**

**North American Gas Transmission Customer Monitors Remote Sites with Portable  
FOX-TEK Solution**

**TORONTO, Ontario (October 12, 2006)** – Fiber Optic Systems Technology, Inc. (TSX-V: FOX or the Company), a provider of patented fiber optic sensor systems, today announced it is ramping up its commercialization efforts. FOX-TEK's technology leverages high resolution, 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 changes.

On the heels of its presentation at the International Pipeline Conference (IPC) in Calgary last month, where it unveiled its paper entitled "Fiber Optic Sensors for Monitoring Pipe Bending Due to Ground Movement" by E. McClarty, S. Cauchi, T. Cherpillod and D. Morison, FOX-TEK has received a purchase order from a major North American Gas Transmission company. The customer initially utilized FOX-TEK's FT 3405 continuous monitoring solution and has now placed an order for its FT 3410 portable monitor to support preventative efforts on a major gas transmission pipeline in north-eastern B.C. Ed McClarty, Geotechnical Engineering Specialist – Integrity Technical Services, said "After testing this innovative product, our company is purchasing this FT 3410 portable monitoring system to support our ongoing monitoring program on our transmission pipeline and is considering it for additional areas."

Dr. Essam Zaghoul, President & CEO of FOX-TEK, said, "This order marks a milestone in the company's growth as we successfully transition from R&D to a new phase in which we'll focus efforts on product rollout and sales in Canada, U.S. and the Middle East. We're currently in talks with refineries and pipeline companies in key regions to adopt our precise, environmentally friendly monitoring technology to overcome one of the biggest challenges they face, potential downtime."

**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.

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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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