

FOR IMMEDIATE RELEASE

TSX Venture Exchange symbol: FOX

## FOX-TEK REPORTS SECOND QUARTER 2006 RESULTS

**TORONTO, ON (August 28, 2006)** – Fiber Optic Systems Technology, Inc. (the “Company” or “FOX-TEK”), a developer of patented fiber optic sensing products, today announced its financial and operating results for the quarter ended June 30, 2006. The quarterly statements have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)). All amounts are expressed in Canadian dollars unless otherwise noted.

Among the financial results for the three months ended June 30, 2006, FOX-TEK reported revenue of \$24,000 compared to \$3,000 in the second quarter 2005. The net loss for the quarter was \$1,431,000, or \$.04 per share, compared to a loss of \$652,000, or \$.03 per share in the second quarter 2005. The loss reflects the Company’s increased expenses as it continues to develop the sales, marketing and operational teams to build the business.

### Other Developments

During the second quarter, John Olsen assumed the newly created position of Director of Sales, North America. Mr. Olsen is based in FOX-TEK’s Calgary office and is responsible for overseeing and coordinating all Company sales efforts in Canada, the United States and Mexico. Mr. Olsen brings to FOX-TEK more than forty years of entrepreneurial and corporate experience, including fourteen years of selling to the oil and gas industry. Mr. Olsen is a retired Lieutenant-Colonel in the Canadian Armed Forces (Reserves) and is a member of the board of Xcel Consolidated

FOX-TEK also reported today that it has appointed Angelo Ascione C.A. as its new Chief Financial Officer. Mr. Ascione will commence his duties September 1, 2006. Mr. Ascione has more than twenty-five years experience as a CFO and senior executive with both private and public corporations.

### About Fiber Optic Systems Technology

Established in 2000, FOX-TEK has developed patented fiber optic sensing products that deliver a cost-effective solution for companies to continually monitor their critical infrastructure and detect and prevent high-consequence or catastrophic occurrences. The company’s primary market is the global oil and gas industry, for the monitoring of pipelines and refineries. 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 fiber optic sensing 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 managements’ 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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