

[Close Window](#) [Print Release](#) 

## Fiber Optic Systems Technology, Inc.

TSX VENTURE: FOX

**SEPTEMBER 29, 2006 - 11:35 ET**

### **FOX-TEK Closes Financing**

TORONTO, ONTARIO--(CCNMatthews - Sept. 29, 2006) -

Not for distribution to U.S. news wire services or dissemination in the United States.

Fiber Optic Systems Technology Inc. (TSX VENTURE:FOX)(or the Company) reported today that it has closed a previously announced agreement with Research Capital Corporation (Research) under which Research agreed to buy 2.5 million common shares from the Company at a price of \$2.00 per share, representing an aggregate amount of \$5.0 million, subject to the fulfillment of certain conditions. The common shares will be resold to qualified investors within Canada. Research has also exercised an option to purchase a further \$1.5 million of common shares. This option will close in two parts: \$885,000 (442,500 shares) will close today, Friday September 29; the remaining \$615,000 (307,500) will close October 13th, 2006.

The funds from the financing will be used to support ongoing commercialization and development of the Company's fiber optic sensing products.

The Company further announced that 50,000 options have been granted to a member of the senior management team. The options have a term of five years and vest in compliance with the Company's Stock Option Plan. 50,000 of the options have an exercise price of \$2.00, being the closing price of FOX-TEK shares on September 28, 2006.

#### About Fiber Optic Systems Technology

Established in 2000, FOX-TEK has developed patented fiber optic monitoring products that deliver a cost-effective solution for companies to continually monitor their critical infrastructure and detect and prevent high-consequence or catastrophic occurrences. FOX-TEK systems measure strain, temperature, pressure, or loading. Their patented software produces continuous or scheduled on-demand information about issues such as wall thinning, bending, time-to-maintenance, ground movement, stress corrosion crack growth, alignment and/or structural integrity verification. The Company's primary market is the global oil and gas industry. 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 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 securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.

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

**CONTACT INFORMATION**

Fiber Optic Systems Technology Inc.  
Gary Jolly  
Executive Chairman  
(416) 665-2288  
Email: [gjolly@fox-tek.com](mailto:gjolly@fox-tek.com)

or

Fiber Optic Systems Technology Inc.  
Dr. Essam Zaghoul  
President & CEO  
(416) 665-2288  
Email: [ezaghoul@fox-tek.com](mailto:ezaghoul@fox-tek.com)

or

The Equicom Group  
Andreas Curkovic  
Investor Relations  
(416) 815-0700 x262  
Email: [acurkovic@equicomgroup.com](mailto:acurkovic@equicomgroup.com)

**INDUSTRY:**

Electronics & Semiconductors - Electronic Components