

## NEWS RELEASE

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For more information, contact  
Roger P. Baresel (405) 236-8200

### **FullNet Reports 16% Increase in First Quarter Revenues**

OKLAHOMA CITY, OK – FullNet Communications, Inc. (“FullNet”)(FULO – OTC Bulletin Board) today announced revenues for the quarter ended March 31, 2002, of \$618,000. This represents a 16% increase over the prior year corresponding quarter’s revenues of \$533,000.

Commenting on the Company’s performance, founder and CEO Timothy J. Kilkenny said “We continue to make progress during extremely difficult times for our industry. We are particularly pleased that while increasing revenue by 16% we were able to decrease our selling, general and administrative expenses by more than 51%. This is a testament to the hard work and dedication of our management team and talented employees.”

Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization), which excludes stock, options and warrants issued for services, was a loss of \$19,561 for the current quarter compared to a loss of \$147,610 for the corresponding quarter in the prior year.

FullNet is a facilities-based Integrated Communications Provider headquartered in Oklahoma City, engaged in consumer and business Internet services, including 1) dial-up, DSL, and dedicated broadband access, with customers in more than 30 communities in Oklahoma, and 2) web hosting, server co-location and telecommunications premise co-location, with customers throughout the United States and more than 40 foreign countries. For more information, visit the Company’s web site at [www.fullnet.net](http://www.fullnet.net).

Certain statements in this release may constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Certain, but not necessarily all, of such forward-looking statements can be identified by the use of forward-looking terminology such as “anticipates,” “believes,” “expects,” “may,” “will,” or “should” or other variations thereon, or by discussions of strategies that involve risks and uncertainties. The actual results of the Company or industry results may be materially different from any future results expressed or implied by such forward-looking statements.

**FullNet Communications, Inc. and Subsidiaries**

**CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)**

	<b>Three Months Ended</b>	
	<b>March 31, 2002</b>	<b>March 31, 2001</b>
REVENUES		
Access service revenues	\$ 403,086	\$ 307,950
Co-location and other revenues	<u>215,268</u>	<u>224,984</u>
Total revenues	618,354	532,934
OPERATING COSTS AND EXPENSES		
Cost of access service revenues	261,431	171,580
Cost of co-location and other revenues	23,830	18,246
Selling, general and administrative expenses	373,965	775,631
Depreciation and amortization	<u>175,702</u>	<u>226,854</u>
Total operating costs and expenses	<u>834,928</u>	<u>1,192,311</u>
LOSS FROM OPERATIONS	(216,574)	(659,377)
INTEREST EXPENSE	<u>(81,961)</u>	<u>(252,323)</u>
NET LOSS	<u>\$(298,535)</u>	<u>\$(911,700)</u>
Net loss per common share		
Basic and Diluted	<u>\$ (.04)</u>	<u>\$ (.22)</u>
Weighted average number of common shares outstanding		
Basic and diluted	<u>6,659,666</u>	<u>4,114,858</u>