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NEWS RELEASE

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FullNet Reports First Quarter 2003 Results of Operations

OKLAHOMA CITY, OK – FullNet Communications, Inc. (“FullNet” or the “Company”)(FULO – OTC Bulletin Board) today announced revenues for the quarter ended March 31, 2003, of \$542,000 compared to revenues for the corresponding quarter in the prior year of \$618,000. The Company reported a net loss of \$280,000 for the current quarter compared to a net loss of \$298,000 for the prior year’s corresponding quarter.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) for the quarter ended March 31, 2003, was a negative \$29,000 compared to a negative \$41,000 for the prior year’s corresponding quarter.

Commenting on the Quarter’s results, founder and CEO Timothy J. Kilkenny said “Our improved operating performance for the quarter was offset by the receipt of in excess of \$75,000 in back billings from one of our major suppliers for periods going back as far as the year 2000.”

FullNet is a facilities-based Integrated Communications Provider headquartered in Oklahoma City, engaged in consumer and business Internet services, including 1) dial-up 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.

FullNet Communications, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended	
	March 31, 2003	March 31, 2002
REVENUES		
Access service revenues	\$ 283,170	\$ 403,086
Co-location and other revenues	<u>258,612</u>	<u>215,268</u>
Total revenues	541,782	618,354
OPERATING COSTS AND EXPENSES		
Cost of access service revenues	245,601	261,431
Cost of co-location and other revenues	33,466	23,830
Selling, general and administrative expenses	286,563	352,654
Loss on sale of assets	4,697	21,311
Depreciation and amortization	<u>130,140</u>	<u>175,702</u>
Total operating costs and expenses	<u>700,467</u>	<u>834,928</u>
LOSS FROM OPERATIONS	(158,685)	(216,574)
INTEREST EXPENSE	<u>(121,450)</u>	<u>(81,961)</u>
NET LOSS	<u>\$(280,135)</u>	<u>\$(298,535)</u>
Net loss per common share		
Basic and diluted	<u>\$ (0.04)</u>	<u>\$ (0.04)</u>
Weighted average number of common shares outstanding		
Basic and diluted	<u>6,663,135</u>	<u>6,659,666</u>

SCHEDULE TO RECONCILE NON-GAAP FINANCIAL METRICS

	Three Months Ended	
	March 31, 2003	March 31, 2002
EBITDA *	(28,545)	(40,872)
DEPRECIATION & AMORTIZATION	<u>(130,140)</u>	<u>(175,702)</u>
LOSS FROM OPERATIONS	<u>\$(158,685)</u>	<u>\$(216,574)</u>

* EBITDA is defined as income/(loss) from operations from the consolidated statement of operations, less depreciation and amortization expense. EBITDA is not a measurement under generally accepted accounting principles (GAAP) in the United States and may not be similar to EBITDA measures of other companies. Management believes that EBITDA is a relevant metric to provide to investors, as it is an important indicator of operating performance, especially in a capital-intensive industry such as telecommunications, since it excludes items that are not directly attributable to ongoing business operations.

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.