

NEWS RELEASE

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FullNet Reports 55% Increase in Revenues for the Third Quarter

OKLAHOMA CITY, OK – FullNet Communications, Inc. (“FullNet”)(FULO – OTC Bulletin Board) today announced revenues of \$638,000 for the quarter ended September 30, 2001. This represents a 55% increase from the prior year corresponding quarter’s revenues of \$412,000.

The Company reported a net loss for the quarter ended September 30, 2001, of \$404,000. This represents a 58% improvement over the prior year corresponding quarter’s net loss of \$968,000.

Included in the Company’s results for the three months ended September 30, 2001 were \$276,000 in non-cash charges, consisting of (i) amortization of discount relating to financing of \$27,000, and (iii) depreciation and amortization of \$249,000.

Commenting on the Company’s improved performance, founder and CEO Timothy J. Kilkenny said, “We are pleased that we were able to achieve a 55% increase in revenues for the quarter while at the same time actually reducing our total operating costs and expenses by 2%, and even more importantly reducing selling, general and administrative expenses by over 21%. This is a direct result of the dedication and outstanding efforts of our very talented employees and management team.”

FullNet is a facilities-based Integrated Communications Provider headquartered in Oklahoma City, engaged in consumer and business Internet services, including 1) dial-up, DSL, dedicated and broadband wireless access, with customers in 25 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.

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)

	Three Months Ended		Nine Months Ended	
	September 30, 2001	September 30, 2000	September 30, 2001	September 30, 2000
REVENUES:				
Access service revenues	\$ 416,533	\$ 266,566	\$ 999,434	\$ 743,913
Co-location and other revenues	<u>221,906</u>	<u>145,609</u>	<u>680,708</u>	<u>532,664</u>
Total revenues	638,439	412,175	1,680,142	1,276,577
OPERATING COSTS AND EXPENSES:				
Cost of access service revenues	235,892	141,516	568,677	358,945
Cost of co-location and other revenues	32,581	52,506	113,436	191,742
Selling, general and administrative expenses	436,733	558,676	1,684,130	1,747,181
Depreciation and amortization	<u>249,533</u>	<u>222,387</u>	<u>716,113</u>	<u>556,132</u>
Total operating costs and expenses	<u>954,739</u>	<u>975,085</u>	<u>3,082,356</u>	<u>2,854,000</u>
LOSS FROM OPERATIONS	(316,300)	(562,910)	(1,402,214)	(1,577,423)
OTHER INCOME	826	-	826	-
INTEREST EXPENSE	(88,976)	(367,311)	(492,966)	(711,012)
DEBT CONVERSION EXPENSE	-	-	(370,308)	-
OTHER EXPENSE	<u>-</u>	<u>(38,657)</u>	<u>-</u>	<u>(56,870)</u>
NET LOSS	<u>\$(404,450)</u>	<u>\$(968,878)</u>	<u>\$(2,264,662)</u>	<u>\$(2,345,305)</u>
Net loss per common share				
Basic and diluted	<u>\$ (.06)</u>	<u>\$ (.28)</u>	<u>\$ (.42)</u>	<u>\$ (.76)</u>
Weighted average number of common shares				
Outstanding				
Basic and diluted	<u>6,610,410</u>	<u>3,515,484</u>	<u>5,358,575</u>	<u>3,098,116</u>