



201 Robert S. Kerr Avenue, Suite 210 - Oklahoma City, OK 73102

NEWS RELEASE

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

FullNet Reports Continued Progress in 2002

OKLAHOMA CITY, OK – FullNet Communications, Inc. (“FullNet”)(FULO – OTC Bulletin Board) today announced revenues for the year ended December 31, 2002, of \$2,425,000. This represents a 5% increase over the prior year’s revenues of \$2,301,000. Revenues for the fourth quarter ended December 31, 2002, decreased 8.7% to \$567,000 from \$621,000 for the corresponding quarter in the prior year.

The Company reported a net loss for the year ended December 31, 2002, of \$823,000. This represents a 75% improvement over the prior year’s net loss of \$3,325,000. The net loss for the fourth quarter ended December 31, 2002, decreased 83% to \$177,000 from \$1,060,000 for the corresponding quarter in the prior year.

EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) for the year and quarter ended December 31, 2002, was a positive \$210,000 and \$74,000, respectively, compared to a negative \$1,910,000 and \$853,000, respectively, for the prior year’s corresponding periods.

Commenting on the Company's improved performance, founder and CEO Timothy J. Kilkenny said "This represents our second consecutive year of progress since the melt-down in the telecommunication and Internet sectors. With the continued support of our creditors and investors we have been able to not only survive but show consistent improvement during a period when so many of our competitors have been forced into bankruptcy. Of course, none of this would have been possible without the tireless efforts of our dedicated management team and talented employees."

During the year ended December 31, 2002, total assets decreased 32% from \$2,487,000 to \$1,699,000, primarily resulting from the amortization of its intangible assets related to the Company's prior acquisitions. During the same period, the Company generated net cash from operations and investing activities of \$58,000 and \$85,000, respectively, and made \$172,000 in principal payments associated with the Company's financing activities.

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.

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)		Year Ended	
	Three Months Ended		December 31,	
	December 31, 2002	December 31, 2001	2002	2001
REVENUES:				
Access service revenues	\$ 292,429	\$ 412,801	\$1,421,699	\$1,392,711
Co-location and other revenues	<u>274,437</u>	<u>208,069</u>	<u>1,003,317</u>	<u>908,301</u>
Total revenues	566,866	620,870	2,425,016	2,301,012
OPERATING COSTS AND EXPENSES:				
Cost of access service revenues	165,584	211,723	834,338	833,766
Cost of co-location and other revenues	20,788	52,806	98,371	112,876
Selling, general and administrative expenses	315,151	452,166	1,315,827	2,136,295
Loss (gain) on sale of assets	(8,900)	8,166	(33,827)	8,166
Depreciation and amortization	145,973	139,859	660,870	855,973
Impairment expense	<u>-</u>	<u>741,295</u>	<u>-</u>	<u>741,295</u>
Total operating costs and expenses	<u>638,596</u>	<u>1,606,015</u>	<u>2,875,579</u>	<u>4,688,371</u>
LOSS FROM OPERATIONS	(71,730)	(985,145)	(450,563)	(2,387,359)
INTEREST EXPENSE	(105,299)	(66,858)	(372,417)	(558,998)
DEBT CONVERSION EXPENSE	-	-	-	(370,308)
OTHER EXPENSE	<u>-</u>	<u>(8,165)</u>	<u>-</u>	<u>(8,165)</u>
NET LOSS	<u>\$ (177,029)</u>	<u>\$ (1,060,168)</u>	<u>\$ (822,980)</u>	<u>\$ (3,324,830)</u>
Net loss per common share				
Basic and diluted	<u>\$ (.03)</u>	<u>\$ (.17)</u>	<u>\$ (.12)</u>	<u>\$ (.59)</u>
Weighted average number of common shares outstanding:				
Basic and diluted	<u>6,661,885</u>	<u>6,645,972</u>	<u>6,661,205</u>	<u>5,680,424</u>