



Fact Sheet - ERF Wireless Inc. (ERFB.OB)

Stock Information

Symbol: ERFB
Exchange: OTCBB
Recent Price: \$1.57
Market Cap: \$4.6M
Shares Outstanding: 2.9M
Approx Float: 1.8M

Key Executives

Dr. H. Dean Cubley
CEO, Chairman

Richard R. Royall
CFO

R. Greg Smith
*Director and CEO of ERF
 Enterprise Network Services*

John Nagel
CEO of Energy Broadband

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ERF Wireless Inc.

Company Overview

ERF Wireless Inc. is a fully reporting public corporation, founded in 2004 and headquartered in League City, Texas. The primary objective of ERF Wireless is the generation of profitable recurring revenue from a base of highly-satisfied wireless broadband customers in North America.

To achieve this objective, ERF Wireless acquires the most promising competing Wireless Internet Service Providers (WISPs) in targeted rural markets and combines them with a steady build-out of additional networks in areas needing reliable, wireless broadband coverage. The company then increases profits exponentially by offering high-speed wireless broadband products and services to commercial and residential customers and overlaying that traditional customer base with a number of specialized vertical markets such as oil and gas, healthcare and education.

ERF Wireless has also contracted for expanded rural wireless network coverage through a series of Master Service agreements with wireless companies throughout much of the U.S. and Canada. As a result of all of these initiatives, the company can now provide its customers one of the largest rural wireless broadband networks in North America, covering more than 450,000 square miles across

Texas, Oklahoma, Arkansas, Colorado, Kansas, Wyoming, North Dakota, Louisiana, New Mexico and the Canadian province of Alberta, Canada.

The company has regional offices located throughout many of the more active of these areas, including Pampa, Lubbock, Odessa, Seagraves and Plains, Texas. In addition, new regional offices are being opened in North Dakota and Colorado.

Key Vertical Markets

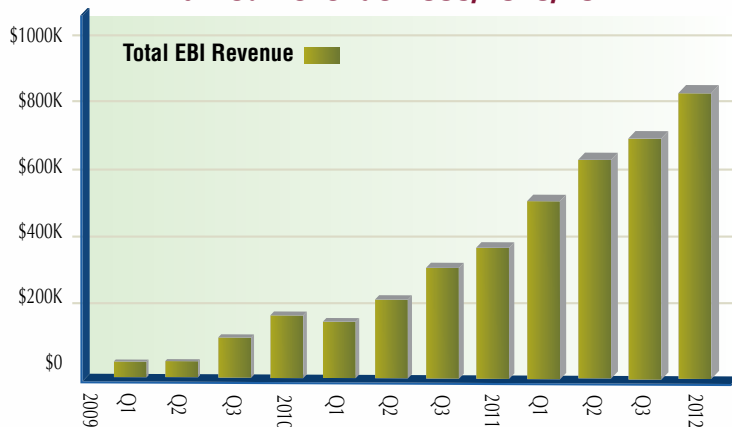
ERF Wireless uses its wireless network infrastructure to provide Internet bandwidth to residential and commercial customers, as well as vertical markets that include the oil and gas industry, regional banks, healthcare institutions and educational institutions. The oil and gas industry and regional banking industry are the company's largest vertical markets, comprising more than 50% of the ERF Wireless revenue. The balance of the company's revenue is generated from residential and commercial wireless broadband Internet customers.

Energy Broadband Inc.

Serving the Oil and Gas Industry

Overview – The Energy Broadband Inc. (EBI) subsidiary of ERF Wireless was created in 2007 to serve the wireless broadband needs of the oil and gas industry throughout North America. Many of the ERF Wireless acquisitions have been in the most prolific oil and gas exploration regions of the U.S., giving the company by far the largest and most strategically-placed wireless broadband network in the oil and gas regions of North America.

EBI Earned Revenue 2009/2010/2011





Due to the expansive nature of many of the new software programs utilized by the oil and gas industry, traditional VSAT satellite communications with their inherently slow signal transit time have been rendered ineffective for modern real-time operations. As a result, ERF Wireless' extremely fast terrestrial wireless broadband Internet solution is preferred and in great demand.

To serve the extremely remote oil and gas regions in rural North America, ERF Wireless utilizes a fleet of some 200 trailer-mounted, 50-foot erectable Mobile Broadband Towers (MBTs) that can be delivered directly to the drilling site. EBI technicians deploy these towers behind a fleet of trucks, erect the towers and establish wireless connections back to fixed towers that may be up to 25 miles away in the ERF Wireless fixed network. When the drilling rigs move to new locations, the EBI



technicians move the trailer-mounted towers to the new locations and establish connectivity using the same process.

Current Projects – EBI is currently supporting multiple Fortune 500 oil and gas customers in all the major oil and gas exploration regions of Texas, Louisiana, New Mexico and Oklahoma, as well as operations in North Dakota, Colorado, Kansas, Nebraska and Montana. The EBI revenue has been steadily growing as more and more new customers begin service and

new operating regions initiate service.

Future Plans – Expanded operations are planned for EBI as new operating regions are opened for service, additional MBT towers are delivered, and new products are added to this highly-profitable business unit.

Enterprise Network Services

Serving the Regional Banking Industry

Overview – The Enterprise Network Services (ENS) division of ERF Wireless primarily provides wireless broadband connectivity to the regional banking industry in the U.S. The division also provides its services to rural school districts, hospitals and clinics.

ENS has developed a patented, proprietary hardware and software solution that allows its bank customers to meet the stringent requirements of federal banking regulators when deploying wireless broadband solutions that replace leased telephone company circuits. ENS typically is contracted by the bank to design and implement a wireless broadband solution to connect their various bank branches to each other as well as the bank's operations center. ENS then designs wireless circuits from each bank location out to the ERF Wireless-owned network in the area using the company's patented CryptoVue® technology. After the bank network is operational, ENS provides monitoring services and maintains the network. This strategy allows ENS to generate both one-time construction revenue as well as long-term recurring revenue on each bank network contract.

Current Projects – ENS is currently servicing numerous wireless broadband bank networks in Texas and Louisiana, connecting approximately 125 bank branches and



operation centers into the ERF Wireless rural network system.

Future Plans – ENS is expanding and upgrading a number of locations for its current banking customers, while planning new networks for additional bank customers.

Recent Investments

CEO Family – The family of the CEO has invested approximately 70% of all of the outside capital needed to grow the company from its formation to its current size. The family is committed to long-term shareholder value and will continue to provide a \$12M credit facility to the company.

Dakota Capital Fund – ERF Wireless has secured \$3 million in debt financing from Dakota Capital Fund LLC. The funding will be used to quickly expand Energy Broadband's presence in the major oil and gas exploration regions of North America.

E-Bond Offering – ERF Wireless is currently receiving funds under a \$2.5 million E-Bond offering and expects the funding to be completed during the 2nd quarter of 2012.

The Outlook

ERF Wireless will continue to grow its recurring revenue base in all of its business segments, with the greatest contribution coming from Energy Broadband's high-margin oil and gas business. For calendar 2012, the company is targeting consolidated revenues of \$10-14 million, with blended gross margins of 65-70%. ERF Wireless will also continue its plans to secure a listing on a national market stock exchange to improve stockholder liquidity and value.