

Omnicity Corp. – Stocksjournal Update

OMCY wins first contract with State of Indiana Department Natural Resources

Rushville, Indiana based Omnicity Corp. announces expansion of operations with Governor Mitch Daniels present

OMCY announces plans to invest \$2.5 million in wireless infrastructure and the construction of a new corporate office, estimates creation of 100 new jobs by 2012

Since its inception in 2003, Omnicity Corp. (OTCBB: OMCY) continues to develop a nationwide wireless network, as it diligently works to become a premier consolidator of market broadband internet services in the rural

United States. Importantly, within its rural target market, Omnicity can deliver high-speed internet access more cost effectively than traditional cable or fiber optic business models. In addition, Omnicity continues to reach out to new and existing customer bases with innovative marketing programs that are designed to jump-start market penetration and revenue growth. See: www.omnicitycorp.com

Business highlights

- Operationally cash flow positive and growing with over 6,000 subscribers in its network by March 31, 2009
- Market size of at least 40 million rural and small market homes, businesses, governments and schools
- 18 month strategy to expand into 100 additional small and rural markets
- Fast, scalable, low cost deployment using low cost industry standard wireless equipment
- Experienced WISP, financial and public company management team
- Low operating costs through centralized management, billing and customer service
- Migration to advanced wireless standards (WiMax)

Following the appointment of a new COO, management of OMCY continue to build out the Company's leading technological platform, utilizing state-of-the-art Cisco technology to deploy its mobile broadband service. OMCY reports that, following the recent win of a contract with the State of Indiana Department Natural Resources, ***the Company reports that it is in contention for a \$16.2 million bid to build fiber optic services to rural hospitals across the State of Indiana, and is an applicant for \$31 million in such projects overall.*** Importantly, OMCY continues to build its business via organic growth and acquisitions, by partnering with Rural Electric Municipal Cooperatives (REMCs) and rural telephone companies, and by acquiring regional WISPs, such as Rushville Internet Services, LLC, of Rushville, Indiana.

StocksJournal believes that Omnicity's business development record and recent successful acquisitions confirm the validity of the Company's business model. Omnicity's management

report that the Company expects to remain operationally cash flow positive, and profitable, with increasing margins by the end of year 5 of its business plan. Omnicity's WISP services empower individuals and businesses by providing the state-of-the-art wireless infrastructure they need to drive economic development and job growth. In StocksJournal's opinion, Omnicity has the ability to capture significant market share by rapidly becoming a premier consolidator of rural market broadband providers in the US. *Latest news – see details of OMCY's latest news developments below:*

Omnicity Wins First State Contract with Indiana DNR

On October 4, 2009 OMCY announced that it was awarded its first the contract to provide broadband services to the Department of Natural Resources (DNR) for the State of Indiana at the Mississinewa Lake and Miami State Recreation Areas. This is the first of several government and institutional bids for rural and small community infrastructure projects on which Omnicity will bid. The Company is in contention for a \$16.2 million bid to build fiber optic services to rural hospitals across the State of Indiana, and is an applicant for \$31 million in such projects overall.

Greg Jarman, CEO of Omnicity stated, "We look forward to providing our services to the DNR and proving the superiority of our suite of Internet services nationwide. Our team is experienced and understands the importance of what this contract means to the DNR and to the local community that surrounds the park. Omnicity will install its equipment inside the state park and will provide services to visitors, campers and staff of the DNR, as well as the rural communities that surround the park. We believe that by providing high speed internet services to campers and employees of state parks Omnicity will gain the opportunity to prove up the superiority of the company's technology to a core target market."

Omnicity inks major distribution agreement with ABC Hi Def

On August 12, 2009, OMCY signed an agreement with ABC Hi Def, LLC, allowing ABC to (1) perform residential installations for Omnicity and (2) market Omnicity's services to ABC Hi Def's customer base of over 15,000 satellite television subscribers. ABC Hi Def will also include Omnicity's wireless Internet services in its offerings to new Dish Network and DIRECTV customers.

ABC Hi Def is currently completing over 800 new satellite television installs per month. Jacob Rodabaugh, CEO and Chris Underwood , Vice President of ABC Hi Def had this to say of the agreement: "We have been installing Dish Network and DIRECTV throughout the rural areas of Indiana for several years. All of our customers keep asking for a solution to get high speed Internet to them and with Omnicity, we can finally bring a quality solution to them."

Greg Jarman, CEO of Omnicity, commented: "This should be a great complement to our operations. Utilizing ABC Hi Def's substantial sales force should help us accelerate

subscriber growth and revenue.”

Omnicity launches experiential marketing unit "EMU 1”

On August 17, 2009, OMCY launched a new sales campaign that utilizes a sophisticated mobile platform to exhibit the company’s technology by offering new customers a hands-on experience. The “EMU 1” (Experiential Marketing Unit #1) provides a live demonstration, bolstering OMCY’s targeted direct sales campaigns. In support of Omnicity’s “build, buy and partner” marketing model, the EMU 1 is deployed to strategic locations – large-gathering events that include county fairs, festivals, promotional events, partnering events, and new territory launches – to give potential new subscribers the “Omnicity Experience.”

“We give our potential customers the opportunity to experience our services in a mobile environment that demonstrates our broadband capabilities. Customers can experience a live demonstration of high speed Internet, voice services (VOIP) and video services. in a real time, real life setting... one they would otherwise not be able to experience.” commented David Weddell, Vice President of Sales and Marketing with Omnicity.

By taking a sophisticated product demonstration to the company’s target markets, OMCY has reached out to new and existing customer with the innovative EMU program, effectively jump-starting aggressive efforts to increase market penetration and revenue growth.

Indiana Governor Mitch Daniels present to announce Omnicity to expand operations

On August 19, 2009, OMCY announced that Governor Mitch Daniels joined executives from OMCY to announce that the company plans to expand operations and create approximately 100 new jobs by 2012. Indiana based OMCY plans to invest \$2.5 million toward wireless infrastructure and the construction of a new corporate office in Rushville, Indiana. The new corporate office will house the company’s call center, collections and distribution operations in a North Rushville Industrial Park.

“Omnicity’s new jobs and investment are a boost for Rush County. The expansion means more technology is reaching our rural areas, which makes them even more attractive for jobs and growth,” said Governor Mitch Daniels.

“The City of Rushville is pleased to have Omnicity locate their headquarters here and create new opportunities for the community. These quality jobs, in today’s economy, speak highly of Omnicity and we are proud to have them in our community,” said Rushville Mayor Merv Bostic.

“We believe we are at the perfect place with the perfect plan at the perfect time in our efforts to reach all of the rural areas with broadband services that are much needed for economic development, education, health care and smart-grid technology. Our investment in Indiana

makes this an exciting time for us," said Greg Jarman, Chief Executive Officer of Omnicity.

OMCY reports that the Indiana Economic Development Corporation offered Omnicity up to \$25,000 in training grants and will provide Rushville officials with a \$110,000 grant to assist in off-site infrastructure improvements needed for the project. The City of Rushville will provide additional property tax abatement at the request of the Rush County Economic Development Corporation.

Omnicity Chooses Cisco to Deploy Mobile Broadband – Move to 4G WiMAX technology will increase coverage and bandwidth – Omnicity to look at adding advanced services such as VOIP, IPTV and mobile communications using Cisco's BWX platform - On August 07, 2009, Omnicity Corp announced that it chose to deploy state of the art Cisco wireless broadband service throughout its network. To increase mobile broadband coverage and bandwidth, Omnicity is migrating from the 802.11 wireless standard to the WiMAX 802.16e standard using Cisco's Broadband Wireless Access (BWX) WiMAX antennas and base stations. Omnicity uses Cisco equipment at its core and deploys Cisco's BWX platform in a portion of its network, accelerating the pace of Omnicity's goal to be rural America's premier broadband service provider.

Greg Jarman, CEO of Omnicity, said, "There are only a few carrier-grade WiMAX vendors out there today, and we are excited to have chosen Cisco as our strategic equipment supplier. Its prowess in the network world is one of the best and with their BWX platform they are delivering an end-to-end Internet Protocol Next-Generation Network that delivers the best indoor coverage and portable mobile performance in the industry. The agreement with Cisco will also give us access to Cisco's vendor financing program, systems engineering, technical assistance and our planned stimulus grant writing. Having selected a vendor, we now turn our attention to spectrum holders around the country."

Omnicity Appoints New Chief Operating Officer – July 30, 2009, Omnicity Corp. named David Bradford as the Chief Operating Officer, replacing Greg Jarman who was promoted to Chief Executive Officer last month. Mr. Bradford joined Omnicity in early 2008 on a consulting basis to help guide Omnicity through the transition to a public company and into an aggressive growth mode over the last fifteen months. He has served as the Vice President of Corporate Development since February 2009. "We are excited to have David Bradford on our team and lend his years of experience in managing the acquisition and growth process of the Company. He has been instrumental in our strategic plan to become a major consolidator of the rural market broadband industry nationwide," stated Greg Jarman, CEO of Omnicity.

Mr. Bradford has devoted the majority of his senior management career to the telecommunications industry. From 1977 through 1987 he served in executive positions at the Chicago Tribune's broadcast and cable television divisions. Positions included Vice President and General Manager for Tribune Cable Communications, Vice President of Operations for WGN Electronic Systems Company, and Director of Strategic Planning for Tribune Cable and subsidiaries. After leaving the Tribune companies Mr. Bradford served as President of Empire

Communications and Bradford Communications, Inc., both rural cable television multi-system operators. Mr. Bradford subsequently served as President of National Telsat, Inc., a rural wireless television and data provider. Mr. Bradford brings thirty years of successful subscriber based telecommunications operating experience to the Omnicity team as well as management and oversight of numerous debt and equity financings, acquisitions, and restructurings. Mr. Bradford commented, "I am excited at the opportunity to serve the Company in this capacity. We have a great market opportunity, a wonderful and talented team of professionals from top to bottom, and a solid executable plan."

Omnicity Completes Another Acquisition – On July 27, 2009 Omnicity reported that the company acquired the subscribers and network infrastructure Rushville Internet Services, LLC, of Rushville, Indiana. Management of Omnicity report that this acquisition serves as a springboard for Omnicity to begin expanding service into southern Indiana. Greg Jarman, CEO of Omnicity, said "Acquiring Rushville Internet was strategically very important to us. By acquiring the assets of this company we pick up 450 customers and control of 10 important access points along the southern edge of our network. In addition to the top line revenue growth, it gives us a good stepping off point as we start to push south as well as north and west." This transaction is the fifth strategic acquisition completed by Omnicity in as many months. Aside from organic growth, these acquisitions have allowed Omnicity to increase its client base exponentially and enter into provider contracts such as the recently announced multi-year contract with Educational Networks of America.

Omnicity Corp partners with Afterimage GIS in nationwide expansion plan – On May 27, 2009, Omnicity Corp reported that the Company continues to move forward in its nationwide expansion plan and has partnered with Afterimage GIS to map out major new territories for growth and efficiency. Omnicity, in their first quarter as a publicly held company, has tripled in size through acquisition and is focused on their 17,000 square mile coverage area to increase their customer base through internal growth. The partnership with Afterimage GIS gives Omnicity the marketing and planning tool that is key to more fully understanding the markets the Company serves, as well as more precisely defining important elements of the markets where the Company plans to grow.

American Recovery and Reinvestment Act of 2009 allocates \$7.2 billion dollars – The American Recovery and Reinvestment Act of 2009 has allocated \$7.2 billion dollars for connecting rural and underserved communities in America with broadband Internet. To aid in the identification and deployment process of these communities, Afterimage GIS has developed several products and services that will assist rural America.

Omnicity Corp announces release of Digital Subscriber Line (DSL) – On May 19, 2009, Omnicity announced the release of DSL (Digital Subscriber Line) services in 38 states in the United States. The Company hosted an installation meeting and training seminar at Wabash REMC meeting facility to train installers on the DSL process. Omnicity continues to move forward with a push on the Municipality marketplace. Initially, Omnicity will focus on DSL services within municipalities included in the current wireless coverage areas throughout the Midwest.

Summary

Omnicity plans to develop a nationwide wireless network and to become a premier consolidator of rural market broadband internet services in the United States. Within its target market, Omnicity can deliver high-speed internet access to rural subscribers more cost effectively than traditional cable or fiber optic business models. StocksJournal believes that Omnicity's business development record and recent successful acquisitions confirm the validity of the Company's business model. Omnicity's management reports that by consolidating the industry through acquisitions and ongoing organic growth, the Company expects to remain operationally cash flow positive, by the end of year 5 of its business plan.