

Shareholder Notice

August 31, 2009

At its meeting on Monday, August 24, 2009 the Burst.com Board of Directors again considered the question of declaration of a dividend. Following a full discussion of the question, the Directors again decided that it is in the long-term best interest of the shareholders to defer payment of a dividend until there is further clarity on the issues of (i) monetization of the company's remaining intellectual property assets and (ii) the success of the new software initiative. The directors are scheduled to meet again in mid-November, at which time the issue will again be discussed.

The directors were also informed of the progress of various strategic alternatives for the monetization of the remaining legacy intellectual property. The timeline for further progress cannot be determined at this time pending certain developments relating to third parties. There can be no assurance that the proceeds of such monetization will be material.

Finally, the directors were shown the current version of the social networking web 2.0 software application built around the concept of user-generated content. They were told that the project is nearly on time and under budget. It is presently contemplated that the first alpha/beta customers should be able to come online within a month. Again, the company has not made a decision to launch the software as a commercial product, and, if it does decide to launch, there can be no assurance of either initial or long-term success.

The Directors have appreciated the patience and continued support of the company's shareholders. They are sensitive to the appearance of the absence of developments but wish to assure the shareholders that announcements will be made when the circumstances warrant.