

## **Shareholder Notice**

November 11, 2009

At the regularly scheduled meeting of the Board of Directors of Burst.com on November 9, 2009, the Directors unanimously voted to continue the Company's software initiative in the area of user-generated content for a web-based social media application. The Board of Directors has allocated up to an additional \$1 million for further development, infrastructure creation and marketing expenses related to a public launch of the new product. The product is currently being alpha and beta tested by approximately a dozen entities and is being well-received. The Company is planning an additional 30 beta tests in the coming weeks and is presently contemplating a public product launch in the first quarter of 2010, at which time the product details will be announced to both our shareholders and the general public.

While the Company understands that shareholders may be interested in the current details of the new product family, the Company believes that competitive considerations require continued confidentiality at this time. Although most of the initial development has been completed, the purpose of the alpha and beta testing is to identify and resolve software bugs and to fine-tune the software application and its features, in response to alpha and beta tester feedback. As is customary, there can be no assurance that the software product will ever be launched or that the product launch will be successful over either the short or long term.

The directors also discussed the Company's progress in its efforts to monetize additional elements of the Company's intellectual property portfolio. The monetization efforts have been ongoing. However, there can be no assurance that these efforts will indeed be successful.

The directors again considered the question of a dividend and again determined that the long-term interests of the shareholders would be best served by retaining the Company's liquidity in order to retain the resources required to deal with various strategic opportunities, including the marketing expenses related to the software product launch, if any, and resources required to maximize the Company's intellectual property portfolio monetization.

In a non-related item, the Company has posted its financial information for the quarter ending September 30, 2009, on its website: [www.burst.com](http://www.burst.com).