

SHAREHOLDER NOTICE

January 14, 2008

1. Barry Reder Elected to Burst Board of Directors

Barry Reder, 63, a retired San Francisco lawyer, has been elected to the Board of Directors of the Company, filling the vacancy created when Gordon Rock resigned on December 28, 2007. Formerly a partner in the San Francisco law firms of Coblentz, Patch, Duffy and Bass (1993-2006) and Dinkelspiel, Donovan and Reder (1976-1993), Mr. Reder, practiced corporate and securities law for 37 years before retiring in 2006. Mr. Reder has been a Burst stockholder for a number of years and became a consultant to the Company late in 2007. He previously served on the Boards of HS Resources, Inc (NYSE) and Real Goods Trading Corporation (OTC/PSE) before those companies were sold.

2. Burst Management Employment Agreements extended. Purchase of Shares by Management and Non-Employee Board Members.

On January 8, 2008, the Board of Directors authorized the execution of new two-year employment agreements with Richard Lang and Eric Walters, effective January 1, 2008. In reaching that decision, the Board considered their importance to the execution of the Company's strategic plans and the need to avoid any diminution in their energies and focus over the near and intermediate terms. In that connection, each of them agreed to participate in the sale by the Company of an aggregate of 4,700,000 newly issued shares of the Company's common stock to officers and directors of the Company. At the time of the Board's action, the stock was trading at \$.37 per share. The shares sold are burdened with a perpetual right of first refusal pursuant to which the purchasers are required to first offer the shares to the Company for a period of five business days at a discount of \$.34 from whatever price a third party offers before they can be sold to that third party. The purchase price for the stock burdened with that right of first refusal was \$.07, payable 20% in cash and 80% by execution and delivery of a non-recourse promissory note due in eight years and eleven months. The notes will bear interest at the Applicable Federal Rate fixed at the date of execution of the notes. Richard Lang will purchase 3,000,000 of those shares; of such number, 1,400,000 will be purchased immediately, and the purchase of the balance is subject to his tender of 1,750,000 other shares (which he currently owns) to the Company in cancellation of indebtedness. Eric Walters will purchase 50,000 shares immediately and 400,000 shares upon tender of 400,000 currently owned shares. Colt Briner will purchase 50,000 shares upon his tender



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of 50,000 currently owned shares. Each of the Company's directors will purchase 400,000 shares, as described below. Before Richard Lang's and Eric Walters' tenders of shares to the Company in December, 2007 (a total of 1,700,153 shares were tendered) there were 39,950,633 shares of the Company's common stock outstanding; after the various tenders and purchases described herein, there will be 40,740,289 shares of the Company's stock outstanding.

At that same Board of Directors meeting on January 8, 2008, the Directors noted that the non-employee Directors had been serving without compensation and that the demands of Board membership, the compensation otherwise earned by them in their other endeavors, the aggregate value of the shares involved and the history of the Company suggested that it would be in order both to permit them to participate in the above-described sale and to establish a retainer for the non-employee Directors. Each of the three non-employee Directors agreed to purchase 400,000 of the 4,700,000 shares on the terms described above, and a \$30,000 annual retainer for each non-employee director was also approved.