

Burst.com, Inc.

SHAREHOLDER NOTICE

April 16, 2009

Burst.com makes the following announcements of actions taken at the meeting of its Board of Directors on April 11, 2009. Burst undertakes no obligation to update this information and cautions interested parties to rely on it only as of this date.

1. **Software initiative.** On March 13, 2009 Burst announced that it had been engaged in a study of a possible new software-related business activity and noted that the business plan related thereto would be considered by the Board of Directors. The Board of Directors has met and considered the proposed business plan and unanimously authorized management to proceed to develop the initial software product, beta test it and test market reaction to it. The software will be a Web 2.0-related application that will generally relate to social networking and will have substantial user generated content components. Because management believes that the software will be responsive to a currently unmet need, for competitive reasons, the company cannot further describe the software application or the potential market at this time. The proposed business plan includes a number of objective milestones that are anticipated to be tested during a period of approximately three months ending in mid-November 2009. The company cannot assure that the milestones will be met, or that the software will be developed according to the current timetable, or (if developed on schedule) it will achieve adequate market acceptance or penetration, or that the company will not abandon the project or that the software initiative will indeed be a success.
2. **Monetization of Intellectual Property.** The company has three primary remaining patent families, commonly known as Allen, Polish and Walters (named after their inventors), along with several other individual patents. The process of monetization of each is complex, unique and different from the others, and management is continuing to work with counsel and other relevant resources to determine and implement the best monetization method for each, with the goal of enhancing the shareholder values of these patent families beyond the previously announced \$2,600,000 of aggregate monetization realized thus far in 2009 from the sale of one patent family and nonexclusive licensing of another.
3. **Dividend.** The Board of Directors considered the matter of declaring a dividend and unanimously affirmatively determined to defer consideration of a dividend for at least three months. There can be no assurance that any dividend will be

declared at any time. While the Board of Directors remains cognizant of the thoughts of various shareholders on this issue, it is also sensitive to the strategic benefits of the company's cash position and believes that it is in the long-term best interests of all shareholders to view the cash position as a material strategic asset.

4. Notes and Stock Cancellation. In 2005, Messrs. Lang, Walters and Briner purchased an aggregate of 1,550,000 shares (1,250,000, 250,000 and 50,000 shares, respectively) of the company's common stock from the company for non-recourse promissory notes aggregating \$775,000. The Board of Directors has authorized the cancellation of both the shares and the notes.
5. Stock Issuance. Using a structure comparable to the structure utilized approximately a year ago, to better align the interests of management and the directors with the interests of the shareholders and to provide a meaningful incentive to maximize shareholder values related to items 1 and 2 above, the Board of Directors authorized the sale to management and the members of the Board of Directors of an aggregate of 3,150,000 shares of the company's common stock (250,000 for each nonemployee director, 2,000,000 for Richard Lang, 300,000 for Eric Walters and 100,000 for Colt Briner) at a price of \$.018 (payable half in cash and half by execution of a full recourse note) but subject to a permanent right of first refusal running to the company at a price that is \$.102 less than the price otherwise available, effectively providing a purchase price of \$.12. The last available public market price prior to the date of the Board meeting was \$.085. The shares are further subject to an investment undertaking, restricting their marketability for at least a year. As a result of the stock cancellation referred to in item 4 above and the stock issuance referred to in this item, the company's outstanding shares will be increased by 1,600,000 shares, or approximately 4%.
6. Nonqualified Stock Option Plan. The Board of Directors adopted the Burst.com, Inc. 2009 Nonqualified Stock Option Plan, covering 4,000,000 shares of the company's common stock. No options have been granted under this plan, but it is anticipated that options will be granted in the immediate future. It is the intent of the Board of Directors to grant options under the plan as a meaningful incentive to the persons whose contributions will be most critical to the success of the software initiative and to structure the options so that their value can most likely only be realized if, and to the extent, that the software initiative is successful. To implement this intent, the Board of Directors unanimously voted to grant options under the plan to purchase 3,300,000 shares that "cliff vest" at five years from the date of grant, with acceleration upon the achievement of stated milestones, so long as the optionee is, at the time of exercise, still providing services to the company, though that provision may be waived by the Board of Directors for good cause shown. The options are exercisable at \$.25

per share so that they do not benefit from the prior business activities of the company and have value as a function of the success of the software initiative. The exercise price will be automatically reduced by the amount of any dividend paid prior to January 1, 2011.

7. Tax Refund. The company's new accountants have identified a misclassification by the company's prior accounting firm; as a result, the company will be amending one or more prior California tax returns and claiming a tax refund in excess of \$700,000. Because of the size of the refund, the company expects that it may be anywhere from several months to a year before the refund is actually received. Although the amended return is being filed in accordance and compliance with California tax code and the advice of the company's outside accounting firm, there can be no assurance that the State of California will not contest the company's amended return or that the refund will actually be received.
8. Forward looking statements. This Shareholder Notice contains forward-looking statements similar to those covered by the safe harbor provisions under the Private Securities Litigation Reform Act of 1995. We believe that the information regarding our new software development plans expressed herein are based on reasonable assumptions by the company and its board of directors. However, these forward-looking statements are subject to numerous uncertainties and risks, and actual results and developments could differ materially from our expectations. Factors which could affect our operations and prospects include the costs and uncertainties of pursuing new software development and our ability to pursue and develop new or additional operating strategies. We are not responsible for updating any such forward-looking statements.