

BurnLounge Launches New Community-Powered Digital Music Service for Passionate Music Fans
Unique Service Enables Music Lovers to Create Their Own Digital Music Stores and Sell Their Favorite Music to Consumers

NEW YORK, Feb. 15 –BurnLounge, the next-generation community-powered digital music service that enables passionate music fans to sell the music they love to friends (or) like-minded individuals/people, today unveiled its consumer offering with the formal launch of a public beta. The unique service provides fans with proprietary software and an expansive catalog of music from major and independent record labels, giving users the ability to create and operate their own digital music stores.

Consumers are able to download music directly from BurnLounge with content provided by Loudeye. Currently, the service includes repertoire from major labels including EMI Music, SONY BMG MUSIC ENTERTAINMENT, Universal Music Group and WARNER MUSIC GROUP. Independent content comes from CD Baby, IODA, IRIS Distribution, as well as unsigned artists who can place their music on the 'shelves' side-by-side the mega stars. In addition, BurnLounge offers a compelling and innovative community chat function called BonFire. BonFire enables users in the network to chat openly with buddies on AOL Instant Messenger, Yahoo Instant Messenger, MSN Messenger or ICQ.

"We are thrilled to launch a service that enables music fans to have their own online 'corner record store' and promote the music they love," said Ryan Dadd co-founder, president and COO of BurnLounge. "BurnLounge allows a fan to have a fully-functioning download store without knowing anything about site design, credit card processing or licensing. All they need to know is what music they love and then tell their friends about it."

"BurnLounge is a great promotional tool for artists and labels alike, providing a platform for them to compensate devoted fans for promoting music to their friends," said Stephen Murray, co-founder, president of entertainment and CCO of BurnLounge. "We are excited to offer a new means for emerging and established artists to meaningfully connect with more fans."

The BurnLounge beta is live and currently available at <http://www.burnlounge.com>. In the coming weeks, additional features will be available to the community, including merchandise for purchase from top name brands.

For those interested in operating digital music stores, BurnLounge offers a proprietary software for purchase called Independent Content Editor (ICE) that allows invited participants to become part of the BurnLounge retailer community. Participants may join by an invitation from any BurnLounge affiliate. The ICE software costs \$29.95/year and uses a simple point-and-click interface to help retailers develop their own customizable, fully functional music download stores that suit their own styles and preferences. They are then able to draw from a vast music catalog from major and independent artists alike, which they can sell per download. Once they've hung their digital shingle, retailers are able to decide what degree they want to build their seller community using three subscription levels:

* Fan: Free with purchase of site's Independent Content Editor (ICE)

software. Music fans are able to sell their favorite music or

anything from the BurnLounge catalog, and earn BurnRewards points,

which can be exchanged for products, services or music downloads.

* Affiliate: \$29.95/year and an additional \$6.95/month. Same as above,

but affiliates can redeem BurnRewards points for cash. At this level

they also have access to BurnLounge Business Management Software Gold,

which helps track sales and trains them to grow their business by

allowing them to recruit their own team of affiliate retailers.

Affiliates can also receive income from a portion of the team's revenue

generated through the BurnLounge shared compensation program.

* Music Mogul: \$129.95/year and \$14.95/month. Everything above and

retailers have access to Business Management Software Platinum, which

allows their teams to build teams. Moguls can apply the shared

compensation plan to their community of music fans, affiliates and

other music moguls, which they can manage and build. Also at the Mogul

level retailers have access to VIP events, discounts on exclusive merchandise and services, and more.

To support its community of retailers, BurnLounge offers a range of training and educational materials, including a special package called BurnLounge University, which retailers can purchase for information and tutorials on the history of the music business, technology, business development, and more. They also have access to marketing tools, such as letterhead, posters, templates and a free professional glossy magazine called BurnLounge which is the "voice of the digital culture" and features editorial about the hot trends and topics in the business.

About BurnLounge

BurnLounge is the first, next-generation, community-powered digital music service enabling music fans to discover and enjoy music, as well as operate their own digital music stores and evangelize the music they love. Through this innovative model,

BurnLounge provides record labels and artists with a new fan-driven promotional channel.