

Borealis Exploration Limited

INFORMATION CIRCULAR Fiscal Year 2002

1. SOLICITATION OF PROXIES

This information circular is furnished in connection with the solicitation of proxies by the Management of Borealis Exploration Limited ("Company") for use at its Annual Meeting of Members to be held 23 July 2002 in Gibraltar and on the web at www.borealis.gi, with the Record Date of the meeting being 3 June 2002, for the purposes set forth in the accompanying Notice of Meeting. It is expected that the solicitation will be by mail, fax, e-mail, web page, telephone or in person by Officers and Directors of the Company. The cost of solicitation will be borne by the Company. The information contained here is given as of 31 March 2002, unless otherwise indicated. All dollar figures set forth are expressed in United States Dollars. All accounting is done in Gibraltar Generally Accepted Accounting Principles (GAAP).

2. QUORUM AND VOTING:

The authorised capital of the Company is \$50,000, consisting solely of one class of common shares divided into 5,000,000 shares of \$0.01 par value, of which 4,982,605 shares were outstanding at the close of business 31 March 2002.

Each holder of a common share of record as of the Record Date for the meeting is entitled to attend the meeting either in person or electronically at www.borealis.gi and to cast one vote for each share. Proxies are being accepted by hand delivery, mail, e-mail, voting on the Borealis Web Site, and by fax. Any resolution to be voted upon at the meeting must be approved by a majority of the votes cast, unless the Company's Memorandum of Association or Articles of Association stipulate a number or proportion of the votes cast in excess of a majority. The meeting will proceed as long as there is a quorum at the meeting place, with the voted proxies, even if there are events beyond management's control which limit full participation.

3. REVOCATION OF PROXIES:

Each shareholder has the power to revoke a proxy at any time as long as it has not been exercised. In addition to revocation in any other manner permitted by law, a member giving a proxy pursuant to this solicitation who wishes to revoke the proxy instrument may do so in writing to the address listed, or via e-mail to proxy@borealis.gi, or on the Borealis Website at www.borealis.gi or by fax to Borealis at +350-59059. This must be executed by the member or by his attorney authorized in writing, or, if the member is a Corporation, under its Corporate seal or by an officer or attorney thereof duly authorized, and deposited at any office of the Company, or via e-mail to proxy@borealis.gi, or by fax to Borealis at +350-59059, at any time up to 21 July 2002, or any adjournment thereof at which the proxy is to be used, or with the Chairman of such meeting on the day of the meeting, or adjournment thereof.

4. PRINCIPAL HOLDERS OF VOTING SHARES:

To the knowledge of the Directors and Officers of the Company there is no person who beneficially owns or exercises control or direction over shares carrying more than ten percent of the votes attached to shares of the Company as of 31 March 2002.

5. ELECTION OF DIRECTORS:

Present Directors and their terms of office are as follows:

Number of Years Remaining

Isaiah W. Cox, A.B.	2
Donald N. Jones, M.Sc.	2
A. Asher Turin, Ph.D.	2
Rebecca D. Cox, M.S.	2
Iris Oren Cox, J.D.	1
Joseph J. Cox, B.A.	1
Rodney T. Cox, Ph.D.	1
Benjamin J. Cox, B.A.	1
Nechama C. Cox, Ph.D.	up for election
David M. Goldenberg, LL.B.	up for election
Wayne S. Marshall, Ph.D.	up for election
Peter Vanderwicken, A.B.	up for election

The enclosed instrument of proxy will be voted for the following proposed nominees (or for a substitute nominee in the event of contingencies not known at present) who will serve for a period of 3 years, or their successors if they are elected or appointed in accordance with the Memorandum of Association and Articles of Association of the Company. Respective reported share totals are as of 31 March 2002:

NECHAMA COHEN COX became a Director of the Company 1 August 2001. Since June 1991 Dr. Cox has been working in the Borealis Family of Companies. From July 1993 to January 1998 she was the Patent Manager for Borealis Technical. Since February 1998 Dr. Cox has been the Regional Manager for the European activities of Borealis Technical Limited, Cool Chips plc, Power Chips plc and Chorus Motors plc. Dr. Cox also founded the Mishkan School as well being a Founding Governor of the Noam Primary School in 1999. She is a member and a Member of the Council of the Cox Hart Foundation Limited and the Jeremiah Toyam Cox Foundation Limited, among other Foundations based in Gibraltar. Dr. Cox beneficially owns directly or indirectly 14,700 common shares of the Company, 14,600 shares of Cool Chips plc, 14,600 shares of Power Chips plc, 2,900 shares of Chorus Motors plc, and 1,200 shares of Roche Bay plc.

DAVID M. GOLDENBERG was a director of the Company from 15 April 1988 until 1994. David M. Goldenberg rejoined the Board in 1996. He is with the firm Goldenberg Crisfield Zimmerman Barristers & Solicitors, which grew out of David M. Goldenberg, Professional Corporation. He is a member and a member of the Council of the David M. Goldenberg Foundation Limited. He was previously a Partner in the law firm of Beaumont Church until 1998. Mr. Goldenberg beneficially owns directly or indirectly 100 shares of the Company.

WAYNE S. MARSHALL became a Director of the Company on 11 September 1985. Dr. Marshall was Professor of Business Administration at Long Island University until his retirement on 31 August 1994. He is Chairman of the Executive, Audit and Compensation Committees of the Company and Chairman of the Executive, and Compensation Committees of Cool Chips plc, Power Chips plc and Photon Power plc. He is a Member and a Member of the Council of the VSBM Foundation Limited, the Hart Cox Foundation Limited and the Jeremiah Toyam Cox Foundation Limited. Wayne S. Marshall beneficially owns directly or indirectly 114,040 common shares of the Company. He owns 56,505 shares of Cool Chips plc, 56,505 shares of Power Chips plc, 21,650 shares of Chorus Motors plc, 10,400 shares of Roche Bay plc and 7,852 shares of Photon Power plc.

PETER VANDERWICKEN became a Director of the Company on 3 August 1999. Mr. Vanderwicken is president of Plumstead Group, Inc., a publishing and consulting firm, and since 1992 has been publisher of its Financial Digest, a newsletter for corporate financial executives. Mr. Vanderwicken is a member of the Audit Committee of the Company, and is a Director and chairman of the Audit Committees of Chorus Motors plc, Cool Chips plc, and Power Chips plc. He is a member and a member of the Council of a Foundation based in Gibraltar. He beneficially owns directly or indirectly 27,500 common shares of the Company. He also owns 6,799 shares of Cool Chips plc, 6,799 shares of Power Chips plc, 8,586 shares of Chorus Motors plc, 2,300 shares of Roche Bay plc, and 100 shares of Photon Power plc.

THE PRESENT POSITION AND OFFICE WITH THE COMPANY IF APPLICABLE, AND THE PRESENT PRINCIPAL OCCUPATION OR EMPLOYMENT OF THE INCUMBENT DIRECTORS AND OFFICERS ARE AS FOLLOWS. UNLESS OTHERWISE STATED, SUCH OCCUPATION OR EMPLOYMENT HAS CONTINUED FOR MORE THAN THE LAST FIVE YEARS.

ISAIAH W. COX became a Director of the Company on 15 February 1994. Mr. Cox has had capacities with the Company since 1987. He is now President, Chief Operating Officer, a member of the Executive Committee and Compensation Committee and a Director for all companies in the Borealis Family of Companies, except Roche Bay plc. He is also President of Thales Resources, Inc. He a Member and Member of the Council of the Hart Cox Foundation and the Jeremiah Toyam Cox Foundation Limited, among other Foundations. He beneficially owns directly or indirectly 243,165 common shares of Borealis Exploration Limited. He owns 21,750 shares of Cool Chips plc, 21,750 shares of Power Chips plc, 22,960 shares of Chorus Motors plc, 5,000 shares of Roche Bay plc and 100 shares of Photon Power plc.

DONALD N. JONES became a Director of the Company on 19 December 1991. He retired from the Victoria School System in June 1999 as a teacher and school administrator. In March 1999 he founded North American Teaching Technologies Inc., a software company, for which he serves as a Director and CFO. He also manages personal investments and engages in venture capital activities. Mr. Jones beneficially owns directly or indirectly 55,548 common shares of the Company. Mr. Jones owns 5,025 shares of Cool Chips plc, 5,025 shares of Power Chips plc, 6,275 shares of Chorus Motors plc and 825 shares of Roche Bay plc.

A. ASHER TURIN became a Director of the Company on 6 April 1988. Dr. Turin is a member of the Audit Committee. He has been consultant to the Company from 1985 to present. Dr. Turin is Executive Director of the Zvi Institute for Manuscript Research from 1978 to present. He is a member, and a member of the Council of a Foundation based in Gibraltar. Dr. Turin beneficially owns directly or indirectly 100 common shares of the Company. He also owns 3,000 shares of Chorus Motors plc, 4,000 shares of Cool Chips plc, 4,000 shares of Power Chips plc, and 870 shares of Roche Bay plc.

IRIS OREN COX became a Director of Borealis Exploration Limited on 24 July 2001 at which time she also became a Director of Roche Bay plc, Power Chips plc, Cool Chips plc, Chorus Motors plc and Photon Power plc. She has worked with Intellectual Property for the Borealis Family of Companies since 1997. She is a member of the Foundation and a Member of the Council for the Cox Hart Foundation Limited, the Jeremiah Toyam Cox Foundation Limited, and for the Benjamin J. Cox Foundation Limited, among other foundations based in Gibraltar. She beneficially owns directly or indirectly 2,000 shares of the Company, 1,605 shares of Chorus Motors plc, 1,000 shares of Roche Bay plc, 2,000 shares of Power Chips plc, and 2,000 shares of Cool Chips plc.

JOSEPH J. COX became a Director of the Company on 16 September 1998. Mr. Cox was an independent technical contractor from June 1993 until March 1999. He was a Product Manager at PinPoint Corporation from March 1999 to September 2000. From November 2000 to June 2002 Mr. Cox was with Sabirx, Inc. where he worked in the field of international taxation. Mr. Cox has worked in several capacities with the Company since 1990. At present, he is a technical contractor for Borealis and Roche Bay plc. He is a Member of the Council of the Hart Cox Foundation, the Jeremiah Toyam Cox Foundation Limited, and the Benjamin J. Cox Foundation Limited, among other Foundations based in Gibraltar. He beneficially owns directly or indirectly 31,729 common shares of the Company. Mr. Cox also owns 12,890 shares of Cool Chips plc, 12,890 shares of Power Chips plc, and 1,640 shares of Chorus Motors plc.

REBECCA D. COX became a director 27 December 2002. She has been an audiological scientist from January 2001 until the present. Rebecca Cox has worked with Australian Hearing (January 2001 - January 2002) as well as the UK's National Health Service (May 2002 - present). At present, she is an audiological scientist for the UK's National Health Service. She beneficially owns directly or indirectly no shares of the company.

RODNEY T. COX is Chief Executive Officer and Chairman of the Board of the Company and has held similar positions since 27 December 1978; at which time he also became a Director. Dr. Cox is a member the Executive, Audit and Compensation Committees. Dr. Cox is a Director and member of the Compensation, Audit, and Executive Committees for all companies and CEO and Chairman for all companies in the Borealis Family of Companies. He is a Director of Thales Resources, Inc., and was a Partner in The Parmenides Group until February 2000 when he gifted his holding to the other Partner, Chana B. Cox, who then gifted The Parmenides Group to the Jeremiah Toyam Cox Foundation Limited. Rodney T. Cox is a Member and Member of the Council of the Hart Cox Foundation, the Jeremiah Toyam Cox Foundation Limited, VSBM Foundation Limited and the Benjamin J. Cox Foundation Limited, among other foundations based in Gibraltar. Dr. Cox beneficially owns directly or indirectly 161,600 common shares of the Company. He also owns 258,280 shares of Cool Chips plc, 258,280 shares of Power Chips plc, 59,165 shares of Chorus Motors plc, 10,000 shares of Roche Bay plc, and 100 shares of Photon Power plc.

BENJAMIN J. COX was appointed a Director of Borealis Exploration Limited 1 August 2001. He became the President of Roche Bay Mining Company Limited (now Roche Bay plc) on 24 June 1998. He has worked with Borealis since 1992 in various capacities. He was the Founder and until February 2002 the Chief Executive Penguin of the LinuxFund.org, a charity devoted to advancing Linux and other open source software, where he worked since March 1999. From June to November 2000 he was Vice President of Business Development of New Sphere Inc., a company developing innovative methods for managing and distributing information on the Internet. He is currently a Member and a Member of the Council in the Hart Cox Foundation Limited, the Jeremiah Toyam Cox Foundation Limited and the Benjamin J. Cox Foundation Limited, among other foundations based in Gibraltar. Benjamin J. Cox beneficially owns directly or indirectly 39,353 shares of the Company, 1,000 shares of Roche Bay plc, 13,250 shares of Cool Chips plc, and 13,250 shares of Power Chips plc.

BDO Fidecs Management Limited became Corporate Secretary of all the companies in the Borealis Family of Companies 21 May 2001. BDO Fidecs Management Limited replaced Grays Services Limited and Abraham Cohen on that date.

6. APPOINTMENT OF AUDITORS:

Unless otherwise specified therein, it is presently intended to vote the accompanying proxy instrument to appoint Moore Stephens, Chartered Accountants, Gibraltar, as auditors of the Company, to hold office until the next annual meeting of shareholders, and to authorize the Directors to fix their remuneration.

7. OPTIONS:

There are now 240,379 shares from exercises of options which are the obligation of the Company to issue on a timely basis. It should be noted that, as the Company has authorized 5,000,000 shares, the Company will have to acquire shares from private purchases or public transactions in order to honour its obligation to deliver these 240,379 shares. The Company can increase its capitalization, but under the Company's Memorandum of Association and Articles of Association this is a difficult process. The Company intends to honour its obligations to deliver shares under these option agreements by acquiring the shares in the market when it is able to do so. No demand for the delivery of the exercised shares has been made and none is expected to be made until it can be made in the normal course of business.

8. INSURANCE:

The Company maintains liability insurance for its various office and laboratory facilities worldwide. The Company indemnifies all its Officers and Directors against any legal actions or threatened legal actions that are in any way related to their relationship to the Borealis Family of Companies. The indemnification includes paying all legal bills and all costs of any kind relating to any such claims.

9. INTEREST OF LARGE SHAREHOLDERS IN MATERIAL TRANSACTIONS WITH THE COMPANY:

Through the years, Rodney T. Cox and The Parmenides Group have paid many Company bills without reimbursement, guaranteed Company obligations without compensation, delivered gifts of shares, all under the \$10,000 gift tax exemptions to numerous people associated with the Borealis Family and has lent funds and guaranteed company obligations without interest or any fees being charged for these services. The Company's U.S. accountant estimates that these direct cash and share payments, without any value being assigned to the guarantee services provided by The Parmenides Group and Rodney T. Cox, without compensation, to protect their investment in the Borealis Family of Companies, have totaled at least \$4 million over the past 24 years. The Parmenides Group was paid \$360,000 in 2002 compared to \$396,000 in 2001 for consulting services. The Parmenides Group was gifted in February 2000 to the Jeremiah Toyam Cox Foundation Limited. The Parmenides Group has not been called upon in the past year to engage in actively supporting Borealis Exploration Limited and the Borealis Family of Companies. Currently there is no need for The Parmenides Group to support activities of the Borealis Family of Companies. As and when necessary, these services facilitating Company operations provided in the past by The Parmenides Group will continue to be provided by The Parmenides Group and by Rodney T. Cox. Rodney T. Cox has leased to the Company office space in the U.S. and England. In 2002, rents totaled approximately \$100,000 compared to \$101,500 in 2001. In addition, the Borealis Family of Companies have engaged in numerous transactions with the above parties, all of which in the opinion of Management and the Board of Directors have been in the best interest of the Borealis Family of Companies.

Almost all Borealis Directors, Officers and consultants are shareholders in and have or had options and shares in Cool Chips plc, Power Chips plc, Chorus Motors plc, Roche Bay plc and Photon Power plc. The options on shares in Cool Chips plc and Power Chips plc expire on 3 March 2003 and are at \$5.238 per share. The options on shares in Chorus Motors plc and Roche Bay plc expire on 1 February 2004 and are at \$7.70 per share. Roche Bay plc has requested that all options currently held expire 1 March 2003. We have agreed to this condition with the new management of Roche Bay plc. The options on Photon Power plc are at \$7.70 a share and expire on 31 March 2005. All Officers and Directors have exercised either all or part of their options and their remaining options have been given to Charitable Foundations.

Shares in Cool Chips plc continue to be offered privately. The Offering Circular is dated 27 May 2002 and is for 500,000 shares at \$360/share with puts at \$252/share. Shares in other Borealis companies have also been offered and sold privately at different prices, and Officers, Directors, many consultants and business associates and friends of the Borealis Family of Companies have purchased these shares. The audited annual reports for these companies for 2002 and 2001 are available. Their annual meetings for these companies will be held after the Borealis meeting on 23 July 2002 in Gibraltar. Cool Chips plc began public trading on the U.S. over-the-counter market on 24 April 2002. We expect that Chorus Motors plc will soon be trading publicly as well. We expect soon to make regulatory filings to enable Power Chips plc to begin public trading in the U.S. market on www.pinksheets.com.

Members of the Executive Committee and a Principal Scientist have agreed to lend to Borealis Technical Limited up to a total of 350,000 common shares of Borealis Exploration Limited to be used in funding the operations of the Company. As of 31 March 2002, 248,906 of these shares remain to be delivered back to their owners.

With the non-delivery of exercised option shares by the Company of 240,379 shares and the negative position of Borealis Technical Limited of 248,906 shares, the Company and its subsidiary have shares have an obligation to replace a total of 489,285 shares. The proceeds from these sales totaled \$1,205,135 as of 31 March 2000 and the cost to replace the position as of that date was approximately \$2,200,000 and this obligation is marked to market. The company is buying shares on the open market and from private shareholders to cover this position. Shares for the period ending 31 March 2002 were repurchased by the issuance of 20,750 Cool Chips plc shares. No demand for the delivery of the borrowed shares has been made and none is expected to be made until it can be made in the normal course of business.

Borealis has entered into two long-term contracts with members of its technical staff with 10-year contracts and two 10-year renewals. The first of these contracts has 2 years remaining with 20 years of options. This first contract comes with substantial penalties if control of the Company should change. The penalty is inflation adjusted \$27 million cash payment to a Principal Scientist of the Company. The Company's policy, within the limits of its financial resources, is to offer all consultants lifetime work with the Borealis Family of Companies, subject only to the consultant's continued satisfactory work for the Family of Companies and the Company being able to afford the services provided.

10. MEMORANDUM OF ASSOCIATION AND ARTICLES OF ASSOCIATION

The Board of Directors is proposing to the Members several changes to the Company's Memorandum of Association and Articles of Association. The current Memorandum and Articles, with the proposed changes highlighted, can be found on the Company's Website at <http://www.borealis.com/investor/invrel.shtml>. Please carefully review these suggested changes for the Memorandum and Articles of your Company. The most significant changes authorize the Borealis Companies to trade in their own shares and in shares of other companies in the Borealis Family of Companies, and to pay fees of up to 14% for funds being raised. The Companies in the Family have always aggressively traded shares, and this change will make the trading easier. The Companies are willing to pay finders' fees and commissions for valuable services rendered. All fees paid to date have not been material except those to Shiloh Limited International, Inc., which is the fee-paying affiliate for finders. Shiloh is now owned by The Parmenides Group which is itself owned by The Jeremiah Toyam Cox Foundation Limited, of which certain Officers and Directors of Borealis are members and members of the Council. There is no ownership of the Foundation as the ultimate ownership belongs to charity upon dissolution of the Foundation, should that event ever happen.

The Board of Directors recommends a vote FOR the proposed changes.

11. SUMMARY OF PRINCIPAL SUBSIDIARY COMPANIES IN THE BOREALIS FAMILY OF COMPANIES

Borealis Technical Limited, Gibraltar Company Number 57884, was incorporated 23 April 1996. It is 99% owned by Borealis Exploration Limited. Borealis Technical Limited owns the patent portfolio in the Borealis Family of Companies and owns among other shares 5,200,000 shares each of Chorus Motors plc, Cool Chips plc, Power Chips plc, and Photon Power plc.

Roche Bay Holdings Limited, Gibraltar Company Number 50515, was incorporated 4 February 1994. It is 99% owned by Borealis Exploration Limited, and itself owns 5,200,000 shares of Roche Bay plc.

Credits Holdings Limited, Gibraltar Company Number 50526, was incorporated 7 February 1994. It is 99% owned by Borealis Exploration Limited, and is itself sole owner of Borealis Roche Bay Limited.

Chorus Motors plc, Gibraltar Company Number 68312, CUSIP # X1305M 10 5, was incorporated 18 March 1999. It has 10,000,000 shares authorized, with 5,827,856 shares outstanding, of which 5,200,000 are owned by Borealis Technical Limited. Options on 875,000 shares were granted on 1 February 1999, with an exercise price of \$7.70 per share. 253,491 of these options have been exercised with 621,509 options remaining, which expire 1 February 2004.

Cool Chips plc, Gibraltar Company Number 57885, CUSIP # X16065 10 8, was incorporated 23 April 1996. It has 10,000,000 shares authorized, with 7,220,982 shares outstanding, of which 5,200,000 are owned by Borealis Technical Limited. Options on 875,000 shares were granted on 3 March 1998, with an exercise price of \$5.238 per share. During the fiscal year 83,553 of these options have been exercised, leaving 725,557 options remaining, which expire 3 March 2003.

Power Chips plc, Gibraltar Company Number 60528, CUSIP #X6919W 10 0, was incorporated 11 February 1997. It has 10,000,000 shares authorized, with 7,209,967 shares outstanding, of which 5,200,000 are owned by Borealis Technical Limited. Options on 875,000 shares were granted on 3 March 1998, with an exercise price of \$5.238 per share. During the fiscal year 83,443 of these options have been exercised, leaving 725,667 options remaining, which expire 3 March 2003.

Photon Power plc, Gibraltar Company Number 68278, CUSIP # X 8698W 10 3, was incorporated 16 March 1999. It has 10,000,000 shares authorized, with 5,209,052 shares outstanding, of which 5,200,000 are owned by Borealis Technical Limited. Options on 875,000 shares were granted on 31 March 2000, with an exercise price of \$7.70 per share, which expire 31 March 2005, none of which have yet been exercised.

Roche Bay plc, Gibraltar Company Number 60527, CUSIP # X73580 10 6, was incorporated 11 February 1997. It has 10,000,000 shares authorized, with 5,259,215 shares outstanding, of which 5,200,000 are owned by Roche Bay Holdings Limited. Options on 875,000 shares were granted on 1 February 1999, with an exercise price of \$7.70 per share, which expire 1 February 2004, none of which have been exercised.

Borealis Roche Bay Limited, Gibraltar Company Number 57886, was incorporated 23 April 1996. It is 100% owned by Credits Holdings Limited.

12. GENERAL:

The Management knows of no matter to come before the Annual Meeting other than the matters referred to in the Notice of the Meeting. If any matters that are not now known to the Management should properly come before the meeting, the accompanying proxy instrument will be voted on such matters in accordance with the best judgment of the person or persons voting it.

The contents and the sending of this information have been approved by the Directors of the Company.

Dated 1 July 2002

Borealis Exploration Limited

A large, stylized handwritten signature in black ink, appearing to read 'R. T. Cox'.

Rodney T. Cox, Ph.D.
Chairman of the Board and CEO

A large, stylized handwritten signature in black ink, appearing to read 'I. W. Cox'.

Isaiah W. Cox, A.B.
President and COO