

**GIBRALTAR COMPANY NUMBER 57885**  
**INFORMATION CIRCULAR**  
**Fiscal Year 2004**

**1. SOLICITATION OF PROXIES:**

This information circular is furnished in connection with the solicitation of proxies by the Management Cool Chips plc ("Company") for use at its Annual Meeting of Members to be held 8 September 2004 in Gibraltar and via the Internet at [www.coolchips.gi](http://www.coolchips.gi), with the Record Date of the meeting being 15 July 2004, for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be by mail, e-mail, fax, Internet web site, telephone or in person by Officers and Directors of the Company. The cost of solicitation will be borne by the Company. The information contained herein is given as of 31 March 2004, unless otherwise indicated. All dollar figures set forth are expressed in United States Dollars. All accounting is done in accordance with Gibraltar Generally Accepted Accounting Principles (GAAP).

**2. QUORUMS AND VOTING:**

The authorised share capital of the Company is £100,000 GBP, consisting solely of one class of common shares divided into 10,000,000 shares with par value of £0.01 GBP per share, of which 8,159,541 shares were outstanding at the close of business 31 March 2004.

Each holder of record of a common share as of the Record Date for the meeting is entitled to attend the meeting and to cast one vote for each share. Proxies are being accepted by hand delivery, mail, e-mail, fax, and the Company's Internet website at [www.coolchips.gi](http://www.coolchips.gi). Any resolution to be voted upon at the meeting must be approved by a majority of the votes cast, unless the Company's 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 including the voted proxies.

**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. This revocation 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 received by mailed, or deposited, at any office of the Company, via e-mail to [proxy@coolchips.gi](mailto:proxy@coolchips.gi), or by fax to +350-59059 at any time up to and including the last business day preceding the day of the meeting, 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 2004 except:

5,204,081 shares held by Borealis Technical Limited (which is a 98% owned subsidiary of Borealis Exploration Limited), which is 63.78% of the outstanding shares.

**5. ELECTION OF DIRECTORS:**

**Present Directors**

**Remaining Term**

Robert T. Bauer, M.S.	up for election
Giulio Pontecorvo, Ph.D.	up for election
Wayne S. Marshall, Ph.D.	up for election
Rodney T. Cox, Ph.D.	1 year
Stuart Harbron, Ph.D.	1 year
Peter Vanderwicken, A.B.	1 year
Isaiah W. Cox, A.B.	2 years
Iris Oren Cox, J.D.	2 years
Nechama J. Cox, Ph.D.	2 years

The 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 1, 2 or 3 years, or their successors if they are elected or appointed in accordance with the Articles of Association of the Company. Respective reported share totals are as at 1 June 2004.

**ROBERT T. BAUER** became a Director of the Company on 17 May 2004. Mr. Bauer is currently also a Director of Borealis Exploration Limited, Chorus Motors plc, and, Power Chips plc. He is an Advisory Software Engineer at IBM Corporation, and holds adjunct faculty positions at the Oregon Graduate Institute, Portland State University, and Portland Community College. Robert T. Bauer owns 1000 shares of Cool Chips plc.

**GIULIO PONTECORVO** became a Director of the Company on 28 August 2003. Dr. Pontecorvo is currently also a Director of Borealis Exploration Limited, Chorus Motors plc, and Power Chips plc. He is a Professor Emeritus at the Columbia University Graduate School of Business, and has served on numerous National Academy of Science committees. Professor Pontecorvo has advised the United Nations, the World Bank and other multilateral organizations on a variety of economic and environmental issues, and has published widely on many economic, financial and environmental topics. Giulio Pontecorvo beneficially owns directly or indirectly 6,000 shares of Cool Chips plc.

**WAYNE S. MARSHALL** became a Director of the Company on 21 December 1999. He retired as a Professor of Business Administration from Long Island University, where he remains an Emeritus Professor. Dr. Marshall is Chairman of the Executive and Compensation Committees, and a member of the Audit Committee of the Company. He is currently also a Director of Borealis Exploration Limited, Borealis Technical Limited, Chorus Motors plc, Photon Power plc, Power Chips plc, Roche Bay Holdings Limited, Roche Bay Holdings (Barbados) Limited, Roche Bay plc, Credits Holdings Limited, Borealis Roche Bay Limited and Faraway plc. Dr. Marshall is a Member of the Council of The VSBM Foundation Limited, among other foundations based in Gibraltar. Wayne S. Marshall beneficially owns directly or indirectly 73,003 shares of Cool Chips 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.**

**RODNEY T. COX** became Chief Executive Officer on 23 April 1996. Dr. Cox became a Director and Chairman of the Board of the Company on 21 December 1999. He is a member the Executive, Audit and Compensation Committees. He was a Partner in The Parmenides Group until February 2000. He is currently also a Director of Borealis Exploration Limited, Borealis Technical Limited, Chorus Motors plc, Photon Power plc, Power Chips plc, Roche Bay Holdings Limited, Roche Bay Holdings (Barbados) Limited, Roche Bay plc, Credits Holdings Limited, Borealis Roche Bay Limited and Faraway plc. Dr. Cox is a Member of The Hart Cox Foundation Limited and The Jeremiah Toyam Cox Foundation Limited, among other foundations based in Gibraltar. Rodney T. Cox beneficially owns directly or indirectly 234,380 shares of Cool Chips plc.

**STUART HARBRON** became a Director of the Company on 23 July 2002. Dr Harbron is Chief Patent Officer for the Company. He is the owner of The Enzyme Technology Consultancy, a consulting business specializing in providing IP intelligence to the biotechnology industry. He is currently also a Director of Chorus Motors plc and Power Chips plc. Dr. Harbron is a Member of the Council of The Edgar Research Foundation. Stuart Harbron beneficially owns directly or indirectly 18,000 shares of Cool Chips plc.

**PETER VANDERWICKEN** became a Director of the Company on 6 September 2000. Mr. Vanderwicken is Chairman of the Audit Committee of the Company. He is President of the Plumstead Group, Inc., a consulting firm, and was the publisher of its Financial Digest, a newsletter for corporate financial executives until 1 January 2004. He is currently also a Director of Borealis Exploration Limited, Chorus Motors plc and Power Chips plc, Faraway plc, Photon Power plc, and Roche Bay plc. Mr. Vanderwicken is a Member of the Council of The Trixie Foundation Limited. Peter Vanderwicken beneficially owns directly or indirectly 10,167 shares of Cool Chips plc.

**ISAIAH W. COX** became a Director of the Company on 21 December 1999. Mr. Cox is President, Chief Operating Officer, a member of the Executive Committee and Compensation Committee of the Company. He is currently also a Director of Borealis Exploration Limited, Borealis Technical Limited, Chorus Motors plc, Photon Power plc, Power Chips plc, Roche Bay Holdings Limited, Roche Bay Holdings (Barbados) Limited, Credits Holdings Limited, Borealis Roche Bay Limited and Faraway plc. Mr. Cox is a Member of the council of The BH Foundation Limited, The Jeremiah Toyam Cox Foundation Limited and The Hart Cox Foundation Limited, among other foundations based in Gibraltar. Isaiah W. Cox beneficially owns directly or indirectly 22,750 shares of Cool Chips plc.

**IRIS OREN COX** became a Director of the Company on 24 July 2001. Ms. Cox has worked with Intellectual Property for the Company since 1997. She was appointed General Counsel on 1 October 2002 and is a member of the Oregon State Bar and the US Patent Bar. She is currently also a Director of Borealis Exploration Limited, Chorus Motors plc, Faraway plc, Photon Power plc, Power Chips plc and Roche Bay plc. Ms. Cox is a Member of the Council of The Yael Oren Cox Foundation Limited, The Benjamin J. Cox Foundation Limited and The Jeremiah Toyam Cox Foundation Limited among other foundations based in Gibraltar. Iris Oren Cox beneficially owns directly or indirectly 2,000 shares of Cool Chips plc.

**NECHAMA J. COX** became a Director of the Company on 1 August 2001. Dr. Cox is the European Regional Manager of the Company as well as Borealis Technical Limited, Chorus Motors plc and Power Chips plc. In 1999, she founded the Mishkan School as well as being a Founding Governor of the Noam Primary School. She is currently also a Director of Borealis Exploration Limited, Chorus Motors plc, Photon Power plc and Power Chips plc. Dr. Cox is a Member of the Council of B''H Foundation Limited and The Jeremiah Toyam Cox Foundation Limited among other foundations based in Gibraltar. Nechama J. Cox beneficially owns directly or indirectly 17,275 shares of Cool Chips plc.

**Fidecs Management Limited** (formerly known as BDO Fidecs Management Limited) became Corporate Secretary of the Company on 21 May 2001.

**6. APPOINTMENT OF AUDITORS:**

Unless otherwise specified therein, it is presently intended to vote the proxy 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. INSURANCE:**

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

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

Borealis Technical Limited collects a nominal annual retainer fee for managing the business of Cool Chips plc, but pays all of Cool Chips plc expenses. All funds raised by the sale of Cool Chips plc shares go to Borealis Technical Limited, these funds are then an account payable to Cool Chips plc. Also, Cool Chips plc is trading one of its shares for two shares of Borealis Exploration Limited. The Borealis Exploration Limited shares are delivered to Borealis Technical Limited and the market price of the Cool Chips plc shares issued is also an accounts payable to Cool Chips plc by Borealis Technical Limited.

**9. 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 sending of this information have been approved by the Directors of the Company.

Dated 30 July 2004

**Cool Chips plc**

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

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

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

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