



43/1 Main Street
GX11 1AA
Gibraltar

10 October 2019

Dear Borealis Exploration Limited Shareholder:

Recently the company announced the sale of share assets to Borealis Holdings Limited.

In this packet please find the following documents:

1. The press release announcing the sale (p. 2)
2. The FAQ addressing many shareholder questions, and for those who choose to participate, directions on how to proceed for shares held either in brokerage accounts or in certificate form (pp. 3-11).
3. The Request to Exchange form for the transaction itself (p. 12).

Please review and consider this packet carefully.

For more information: conversion@borealis.gi or Dick Kalin at +1 (612) 875 4403

Sincerely,

Borealis Exploration Limited

- Press Release -

Borealis Exploration sells Share Assets to Borealis Holdings

GIBRALTAR, 27 September 2019 - Borealis Exploration Limited (OTC:BOREF) has sold its share assets to Borealis Holdings Ltd, an Isle of Man limited company. These assets include the shareholdings that ultimately control WheelTug plc, Chorus Motors plc, and other associated companies.

In a transaction intended to protect shareholder value, every BOREF share may be exchanged for one share in Borealis Holdings. The latter company is structured to ensure there is no dilution: the only allowed share issuances are for one-to-one exchanges for BOREF shares. Accordingly, the total number of shares of Borealis Holdings will be 5,000,000 in a single class. Any BOREF shares that are not exchanged before 27 September 2029, may also be redeemed for ten US dollars (US\$10) per share plus interest from today at the rate of 2% per annum.

In the meantime, BOREF expects to remain quoted on the OTC Markets. The transaction is priced near the current market price for BOREF, which presently trading at its five-year high.

Information on the transaction, the rules and procedures for participating in share exchanges for Borealis Holdings, and the options open to them now and in the future are available to BOREF shareholders upon request. To learn more, email Borealis Exploration at conversion@borealis.gi with your contact details.

Forward-Looking Statement: <http://www.borealis.gi/fwdlook.shtml>

- PLEASE READ THIS PAGE -

**Frequently Asked Question Disclaimer and
Forward-Looking Statements Disclosure**

The Frequently Asked Questions (“FAQs”) provided herein for general informational purposes only and may not be complete or applicable to all situations or shareholders. Furthermore, the information provided in the FAQs does not purport to address all matters relevant to Borealis Exploration Limited (“Borealis”) or the process for exchanging shares (the “Exchange”) of Borealis for shares of Borealis Holdings Limited and does not purport to present any one matter in its entirety. The information provided in the FAQs is not intended to be and does not purport to constitute a sufficient basis for shareholders of Borealis to determine whether to participate or to continue participating in the Exchange or the terms, conditions and extent of any such participation. Each user of the FAQs is solely and independently responsible for investigating the facts relevant to his/her/its particular circumstances, including all matters addressed in the FAQs, and for determining what other sources of information to consult in relation to his/her/its decision to participate in the Exchange. Borealis, its affiliates, directors, officers and advisors (the “Borealis Group”) are not responsible for identifying, evaluating or bringing to the attention of any Borealis shareholder information or changes to the FAQs or any other matter or material that may bear on the merits of participating in the Exchange.

The information provided in the FAQs is not intended to form any part of the basis of any investment or Exchange decision or valuation. The information presented is not a recommendation by the Borealis Group to any user of the FAQs to participate in the Exchange and should not be considered as such.

Any statements in the FAQs describing or referring to documents and agreements are summaries only and are qualified in their entirety by reference to such document and agreements. The information presented here should not be considered to be a contract of any kind between any member of the Borealis Group and the user of the FAQs.

Users of the FAQs must not consider the information presented as any form of guaranty. Before deciding on his/her/its level of participation in the Exchange, if any, each user of the FAQs should, as he/she/it deems appropriate, consult with his or her legal, tax, economic, technical and financial advisors and make his/her/its own independent assessment of the transactions contemplated by the Exchange after making all investigations he/she/it deems necessary or advisable in his/her/its sole discretion.

The Borealis Group hereby excludes any liability to any person in consequence of his/her/its purported reliance upon information contained herein or omitted herefrom (whether express or implied) or otherwise furnished in connection herewith. This document is not and should not be deemed to constitute a solicitation of an offer to invest from the public in general or from any person or to participate in the Exchange. All forward-looking statements are subject to risk, uncertainties, and assumptions and these could cause actual results to differ materially from those contemplated or suggested by the forward-looking statements.



Borealis Exploration Limited (BOREF) to Borealis Holdings Exchange Program

Frequently Asked Questions

Why was this change made?

For a number of reasons, including:

1. Relocation to a domicile where the company would not, because of local laws, have to make its financial information available to potential competitors. Note that Borealis Holdings will retain the same corporate auditors as BOREF.
2. Updating the founding documents of the company to ensure that shares voted will be duly owned and limit legal expenses.
3. There are persistent rumours that BOREF has undeclared short positions. It is not in the interest of the company or legitimate shareholders for there to be any undeclared short positions because the company believes they may unfairly depress the share price. This move will clarify who the "true" shareholders are, as, over time, shareholders convert to Borealis Holdings.
4. Canadian shareholders have been stranded as a result of BOREF's move to Gibraltar over 20 years ago. The move may allow those shareholders to transact their shares.
5. The Isle of Man offers a 0% tax rate on corporate income and dividends.
6. Greater insulation from issues related to Brexit and Spain.

Will my current shares of BOREF automatically convert?

No, only if you direct. The offer to convert shares is NOT time-limited and is expected to be kept open indefinitely.

What does exchanging shares cost?

The company is covering the transfer agent fees for BOREF shareholders who wish to exchange. There is no fee borne by the shareholder. Shareholders will be responsible for fees charged by their brokers.

What are the tax implications?

We are aware that many IRA or other tax-deferred accounts cannot easily hold Borealis Holdings, as it is not a listed company. Please read to the end of this document to learn more.

We have no information on any tax consequences for shareholders for exchanging or not exchanging.

In any event, we strongly recommend that BOREF shareholders speak with their legal, tax and/or investment professional(s) before taking any action.

Will BOREF keep trading?

That is our expectation. We are *not* closing or delisting BOREF. BOREF acts as a proxy for Borealis Holdings shares, so it remains a reflection of the value of Borealis Holdings.

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What assets and liabilities will BOREF shares continue to represent?

- A proportionate piece of the US\$50 million payable by Borealis Holdings
- The continuing right to transfer to Borealis Holdings, 1:1
- Historical balance sheet items remain with BOREF

How are shareholders protected?

Every shareholder may choose to convert none, some or all of their BOREF to Borealis Holdings. BOREF remains incorporated, is up-to-date with its OTC Markets filing, and retains its assets and liabilities (except for the shareholdings that own other companies). BOREF has a note payable for \$10 per share (plus interest) at the end of a ten-year period, so we view that \$10 per share as a floor for the stock value, subject to the risk associated with that note.

The ceiling for the share value of BOREF is, at least in theory, the same as the share value for Borealis Holdings, because each share of BOREF may be exchanged at any time for Borealis Holdings shares. BOREF will act as a proxy for the value Borealis Holdings.

Will my broker automatically exchange my shares?

No. If you wish to make the exchange, you must initiate the process.

What are insiders doing?

The custodian company for most insider shares is, upon request, exchanging BOREF shares for Borealis Holdings. Management's shareholdings in BOREF are being exchanged to Borealis Holdings.

What are some potential reasons to make the exchange?

- I want to more directly own a piece of the underlying assets, and Borealis Holdings is the ultimate controlling shareholder of WheelTug and other companies
- I want the peace of mind that my broker actually owns the shares that he tells me I own – so when I swap it, ownership will be crystal clear, registered with the transfer agent and the company alike.
- I want to be able to vote at the annual general meeting and any other shareholder meetings
- I am in Canada, where regulators have blocked trades of BOREF

What are some potential reasons to continue to hold BOREF?

- BOREF currently trades publicly, while Borealis Holdings does not
- Some accounts (especially tax-deferred ones) do not permit holding company that is not publicly listed
- Remaining in BOREF increases my liquidity options

Will Borealis Holdings trade?

Not at this time. We expect that in the future it, and all of the subsidiary companies (including Chorus Motors, WheelTug, and others) will trade at least on a private securities marketplace. At the soonest this will be in 4-6 months, but it could take a year or more, may be done at different times for different entities and may not be done for some entities.

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How will my Borealis Holdings shares be held?

At least at first, many brokers may not be willing or able to hold Borealis Holdings shares, since they will not be eligible for electronic (DTS) status at the outset. Shareholders have four primary options:

1. Use a broker who will hold such shares.
2. Ask for a physical certificate
3. Ask the Transfer Agent to hold the shares on your behalf in book entry form.
4. Ask the custodian company that already acts for most of the insiders, The Parmenides Group (TPG), to hold shares on your behalf. This service is offered at no charge, and statements are regularly sent to all shareholders so they can easily track their holdings. TPG also holds shares for clients in all of the Borealis Group companies, including Chorus Motors, WheelTug, Power Chips, etc.

I own shares in a subsidiary (WheelTug, Chorus Motors, Roche Bay, Cool Chips, etc.). What is happening with those companies?

They will be re-domiciled in the Isle of Man in the coming months. No exchange is expected at this time.

I have decided to wait and see. What happens next?

Business continues as normal. Shareholders who wish to remain informed should contact the company.

I have decided to exchange BOREF for Borealis Holdings. How do I do this?

There are two steps:

- 1: Sign a form specifically transacting the exchange. This form is being prepared and will be available upon request shortly.
- 2: Initiate the mechanics of the exchange, as per the instructions provided below.

EXCEPTION: If you own the shares in an IRA or other tax-deferred account and wish to make the exchange, you may need to work with a special broker who handles private shares. One that we have identified is Mid Atlantic IRA, <http://www.midatlanticira.com/>. Contact information is available through conversion@borealis.gi

For more information:

Please contact us: conversion@borealis.gi

You may also call Dick Kalin at +1 (612) 875 4403

Converting Borealis Exploration Limited Shares Held in a Brokerage Account

*If you hold your shares in certificate form only,
please skip to page 10*

1. Please see the following document (*DWAC & DRS Instructions*) that provides instructions on how to transfer your Borealis Exploration Limited (BOREF) shares from your brokerage account to our transfer agent Transfer Online, Inc. (TOL) for exchange for an equivalent number of shares of Borealis Holdings Limited. Please fill in the information requested on page 2. You may need to contact your broker for some information. Your broker will also need to have the information as shown below so that they have the proper DWAC and DRS account numbers. *You will need to contact your broker to initiate the transfer of shares.*
2. Please scan and email a copy of the entire document to Transfer Online, Inc. at the address shown on page 1 so they have a record of what to expect. Please keep a copy for your records.
3. We ask that you also send us a copy of the completed two page document by email to conversion@borealis.gi.

This will start the process to have your broker transfer your shares of BOREF in book entry form to our transfer agent. Following receipt, TOL will exchange your BOREF shares for an equal number of shares of Borealis Holdings Limited and hold them in book entry form in the same name as the BOREF shares were registered. A copy of the transaction and account record will be emailed to you.

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DWAC & DRS Instructions

Transfer Online, Inc.
512 SE Salmon St
Portland, OR 97214

Phone: 503-227-2950
Fax: 503-227-6874
Email: Transfer Online, Inc. info@transferonline.com
Carolyn Hall carolyn@transferonline.com

TOL, Inc. FAST Agent No.: 50099 (for DWACs)

TOL, Inc. DRS Agent No.: 7837

TOL DWAC / DRS Transaction Fee: No fee to the shareholder from TOL

Requirements for transferring shares via the Depository Trust & Clearing Corporation's (DTCC) FAST system. This includes both DWAC and DRS items.

Shareholders

Please provide the following information: (See Page 2)

- 1.) The name of the Company for which you hold shares
- 2.) The name(s) of the individual or entity receiving the shares
- 3.) The number of shares being issued or transferred
- 4.) The name of the brokerage firm involved with this transaction
- 5.) The DTCC FAST number for the brokerage firm

Please contact your brokerage firm to arrange for this transaction to be processed electronically through the FAST system. See the instructions below for brokers.

Note:

Although TOL processes and records the share transaction on its database system, the shares must be present on the FAST system in order to be confirmed and received by the broker/shareholder(s).

Securities Firms / Brokers

Please provide the following information:

- 1.) The name on the brokerage account (must correspond with the shareholder(s) receiving or transferring the shares).
- 2.) The brokerage account number.
- 3.) The contact person and phone number at the brokerage firm in case we need to verify information.

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Please feel free to send in this form with your materials and make a copy for your broker:

YOUR NAME: _____

PHONE NUMBER: _____

EMAIL ADDRESS: _____

NAME OF YOUR
BROKERAGE FIRM: _____

CONTACT PERSON
& PHONE #: _____

NAME ON THE
BROKERAGE ACCOUNT: _____

BROKER'S DTC FAST # _____

INTERNAL BROKERAGE
ACCOUNT #: _____

DWAC DRS

NUMBER OF SHARES BOREF

The TOL, Inc. DTC FAST # is 50099

Please call TOL, Inc. with any questions at 503-227-2950

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Converting Borealis Exploration Limited Shares Held in Stock Certificate Form

*If you hold your shares in brokerage accounts only,
pages 10-11 do not apply to you*

1. Please complete the form on the next page and have it notarized.
2. We recommend that you make a copy for your records and also send a copy to us by scanning and emailing to conversion@borealis.gi or by fax to **503-296-2163**.
3. Please mail the original notarized stock power and Borealis Exploration certificates to:

Transfer Online, Inc.
Attn: Carolyn Hall
512 SE Salmon Street
Portland, Oregon 97214

This will start the process to have the transfer agent cancel the stock certificate and convert your shares into book entry format. Transfer Online, Inc. (TOL) will then place these book entry shares into an account in the same name as they were recorded on the stock certificate. A copy of the transaction and account record will be emailed to you.

Once this account has been established, your Borealis Exploration Limited (BOREF) shares can be exchanged for an equal number of shares of Borealis Holdings Limited (BH). You will need to complete a second form (to be provided). Upon receipt of the second form, Transfer Online Inc. will cancel the BOREF shares in your account and issue book entry Borealis Holdings shares in the same name as the BOREF shares were registered. A copy of the transaction and account record will be emailed to you.

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IRREVOCABLE STOCK POWER OF ATTORNEY

FOR VALUE RECEIVED, the undersigned does hereby sell, assign and/or transfer unto

Transfer Online, Inc.

_____ shares of the capital stock of **Borealis Exploration Limited**, represented by the enclosed Borealis Exploration Limited Stock Certificate Number(s) _____ and hereby instructs Transfer Online, Inc. (TOL) to place the shares as Book Entry into a TOL account in the name as shown on the respective stock certificates.

Date: _____

Printed Name and Signature of Shareholder

I hereby verify that it was _____ who placed his/her signature on and dated the above Irrevocable Stock Power.

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public

NOTARY PUBLIC STAMP

My commission expires: _____

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REQUEST TO EXCHANGE

The undersigned hereby gives notice of its election to exchange ordinary shares of Borealis Exploration Limited, a public limited company organized and existing under the laws of Gibraltar (“BOREF”), for ordinary shares of Borealis Holdings Limited, a limited company organized and existing under the laws of the Isle of Man (“BHL”), according to the conditions hereof, as of the date written below (the “Exchange”). Normal transfer fees for the Exchange will be paid by BOREF.

By the delivery of this Notice of Exchange the undersigned represents, warrants and, if applicable, covenants to BOREF and BHL, as follows:

The undersigned

1. has reviewed the frequently asked questions disclosure (“FAQ”) prepared by BOREF and available on www.borealis.gi.
2. acknowledges and agrees that it is not required to exchange any shares of BOREF for shares of BHL and, as such, is participating in the Exchange voluntarily.
3. understands and acknowledges that BHL is a newly formed company that has received certain assets of BOREF, including BOREF’s shares in its direct and indirect subsidiaries, and is not quoted, traded or listed on any securities market.
4. understands and acknowledges that there are risks inherent in the Exchange that are not foreseeable to BOREF and, therefore, have not been disclosed.
5. understands and acknowledges that he/she will have the right to participate in the Exchange at least until September 27, 2029.
6. has had an opportunity to consult with its investment, financial, tax and other advisors with respect to the merits of the exchange and to ask questions or seek additional information from BOREF and/or BHL by emailing conversion@borealis.gi.
7. understands and agrees to follow the procedures required by the transfer agent for BOREF and BHL in order to effect the Exchange (a description of which may be found in the FAQ), which differ depending on whether the Shares are held in a brokerage or other custodial account, in a certificate or with the transfer agent.
8. has indicated below the number of shares of BOREF it wishes to exchange for shares of BHL and that in the event of any inconsistencies, typographical errors or mistakes, BOREF will have the right in its sole discretion, to reject the Exchange and require the submission of a new Request to Exchange, exchange the lower/est number of shares indicated below or seek written clarification from the undersigned.
9. understands and acknowledges that no specific timetable or deadline for completing the Exchange is offered or will be adhered to and that BOREF and BHL will process exchanges or cause exchanges to be processed in the order in which they are received.
10. waives any claims it may have against BOREF or BHL in connection with the Exchange to the maximum extent permitted by law.

Date to effect Exchange: _____

Signature _____

Number of shares to be exchanged: _____

Name _____

Name in which shares of Borealis Holdings Limited to be received in connection with the Exchange are to be registered _____

Address _____

Email _____

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