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ASX Announcement/Media Release

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RECORD GROWTH IN REVENUES AND EARNINGS IN 2008

2009 ACTIONS TO EMPHASIZE CASH FLOW AND COST REDUCTION

Highlights

2008: Record Financial Performance

- Revenue US$1,839 million, up 17%
- EBITDA US$356 million, up 20%
- Net profit US$157 million (EPS 10.4 US cents per share), up 93%

2009: Focus on Cash and Cost Savings

- Cost savings actions initiated in 4th quarter; continuing into early 2009
- Capital expenditure budget set at US$40 million
- Interim dividend paid in October; no final dividend to be paid for 2008
- Debt facilities to be extended or refinanced by year end

Boart Longyear Limited today released its annual financial results for 2008. The results were characterized by strong growth in revenue and earnings as compared to 2007.

Commenting on the results, Boart Longyear's CEO, Craig Kipp said, "Boart Longyear's 2008 results were strong, ranking among the best in our Company's 120-year history. Revenues increased by approximately 17% as pricing was higher and we benefitted from a number of strategic acquisitions in 2008 and 2007 as well as investments in our rig fleet. Earnings improved as we were able to further leverage our fixed costs, along with lower net financing costs and a reduced tax rate."

Beginning in late 2008, the level of business activity in many of the markets in which Boart Longyear operates declined sharply. Prices for most of the commodities sold by our customers have declined from the peak levels reached in mid year, and the global financial crisis has severely limited access to financing by the junior miners and reduced cash flow for the major mining and resource companies. Many, therefore, have taken actions to defer or delay exploration spending decisions. As a result, the Company's backlog of manufactured product has dropped sharply and the utilization level of its global drilling rig fleet has also declined. We believe that these trends have stabilized in early 2009, but, due to the ongoing volatility in the global economic environment, forecasting the level of business activity over the coming months remains challenging.

Mr. Kipp further stated, "In anticipation of a challenging market environment in 2009, we initiated a series of cost restructuring initiatives in the 4th quarter of 2008 designed to rationalize our manufacturing capacity, eliminate variable costs and reduce overheads. To date, these actions have resulted in the elimination of over 2,000 positions, representing over 20% of our global workforce. The estimated annualized savings to be realized from all of these actions are expected to be approximately US$80 million. Additional cost saving actions have been initiated in early 2009, including a wage freeze and reductions in executive salaries and director fees. Further reductions in our global workforce are expected in the first half of 2009."

"The Company's priorities in 2009 will be on managing its liquidity position, reducing operating and overhead costs and improving cash flow generation. After spending capital over the past several years to upgrade and modernize our rig fleet, we expect that capital spending will be reduced significantly from US$154 million in 2008 to approximately US$40 million in 2009. In addition, we do not anticipate any acquisitions. These actions, together with a very focused program to reduce our working capital, will enable us to generate significant amounts of free cash flow, even in a very challenging business environment." Mr Kipp said.

FINANCIAL OVERVIEW

US $ in millions	2008	2007	'08 / '07 % change
Revenue	**1,839**	**1,576**	*17%*
Gross Margin	**578**	**506**	*14%*
Gross Margin %	*31%*	*32%*	
EBITDA	**356**	**297**	*20%*
EBITDA Margin %	*19%*	*19%*	
Adjusted EBITDA (1)	**376**		
Adjusted EBITDA Margin %	*20%*		
NPAT	**157**	**81**	*93%*
Adjusted NPAT (2)	**171**		
Adjusted NPAT Margin %	*9%*		
Earnings Per Share (in cents)	**10.4**	**5.4**	*93%*
Cash Generated From Operations	**271**	**246**	*10%*

(1) excludes the impact of US$20.3 million in restructuring and related impairment expenses
(2) excludes the after-tax impact of US$13.8 million in restructuring and related impairment

Total revenue for the twelve months ended 31 December 2008 was US$1,839 million, an increase of approximately 17% as compared to US$1,576 for the prior twelve months ended 31 December 2007. Revenues were higher in North America, South America, Asia Pacific and Africa, but lower in Europe. Of the US$263 million increase in revenue during 2008, US$270 million was attributable to an increase in revenues in the Global Drilling Services division offset by a US$7 million decrease in revenue in the Global Products division.

In 2008, the Global Drilling Services division generated revenue of US$1,241 million, up approximately 28% as compared to the previous year. Higher revenues were attributable to higher pricing for certain drilling services, the impact of acquisitions made in 2007 and 2008, favourable FX movements and the impact of the organic expansion in the Company's fleet of drilling rigs.

In 2008, the Global Products division generated revenue from ongoing operations of US$598 million, down 1% as compared to the previous year. Higher pricing and favourable FX movements were more than offset by lower volumes, primarily attributable to the sale of certain non-core assets that took place in 2007 and 2008.

Total EBITDA for 2008 was US$356 million, reflecting an increase of 20% as compared to 2007. Global Drilling Services' EBITDA increased by 31% to US$295 million as compared to US$225 million in 2007. Global Products' EBITDA increased by 2% to US$128 million as compared to US$125 million in 2007. Corporate and unallocated expenses increased by 26% to US$67 million in 2008 and included approximately US$20 million in restructuring and related impairment expenses.

Net profit after tax for 2008 was US$157 million as compared to US$81 million in 2007, reflecting an increase of US$76 million. This improvement reflects the higher earnings discussed above and lower post-IPO net finance costs. Net finance costs were US$38 million, a decrease of US$63 million as compared to 2007. Income tax expense increased by US$20 million to US$75 million, but the Company's effective tax rate declined to 32.2% in 2008 from 40.4% in 2007. Earnings per share were 10.4 US cents, up from 5.4 US cents in 2007.

Cash generated from operations of US$271 million compares favourably with cash from operations of US$246 million for 2007. Higher earnings were partially offset by an increase in net working capital during 2008. Cash spent on capital expenditures in 2008 was US$151 million, up from US$127 million in 2007, primarily due to the increased investment in new rigs by Drilling Services. In addition, the Company spent US$138 million on acquisitions and paid US$57 million in dividends in 2008.

DIVIDENDS

The Company paid an interim 2008 dividend on 16 October 2008 of 2.3 US cents per share. In light of the Company's focus on managing its liquidity, cash flow and debt position, the Board of Directors has decided not to pay a final 2008 dividend. The Board will continue to evaluate the Company's financial position and outlook on a regular basis and intends to resume payment of dividends when conditions allow.

OUTLOOK

Given the ongoing global credit crisis and the weakening global economy, the Company expects that 2009 will present an extremely challenging business environment. The softness experienced in late 2008 in our Global Products and Global Drilling Services businesses has continued into early 2009. Pricing pressures are beginning to emerge. We expect improvement in business activity from current levels in the coming months, however, the exact timing and magnitude of this improvement remains uncertain.

The Company is committed to taking a number of actions in 2009 to further reduce costs and enhance cash flow. We have strong relationships with our banks and have initiated preliminary discussions with regard to the extension of existing maturities or a refinancing. We expect to continue to benefit from our close relationships with large, multi national mining and resources companies and our exposure to the gold sector. In addition, our businesses in the Environmental, Energy and Underground segments will continue to expand.

WEBCAST INFORMATION

Boart Longyear Limited will host a presentation to discuss the Company's 2008 results. The event will be held on Thursday, February 26, 2009, at 10:00 a.m. Australian Eastern Daylight time (4:00 p.m. U.S. MST February 25th). Those not attending in person may participate via the following:

http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=207760&eventID=2100445

or

http://www.boartlongyear.com/web/guest/investors

About Boart Longyear

Boart Longyear is a 120-year-old global organization registered in Adelaide, Australia, and headquartered in Salt Lake City, Utah, with offices and operations in Asia Pacific, North and South America, Europe and Africa. The Company is the leading provider of drilling services and drilling products for the global mining industry, and also has a substantial presence in drilling for other purposes, including water exploration, environmental and oil sands exploration.

With 2008 sales of over $1.8 billion and approximately 8,000 employees worldwide, the company conducts contract drilling services in more than over 30 countries and provides mining products to customers in over 100 countries.

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