Boart Longyear Limited
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STRONG 2011 FIRST HALF RESULTS

-- UPGRADED GUIDANCE FOR FULL YEAR -

Boart Longyear Limited (**ASX: BLY**), the world's leading provider of mineral exploration services and products, today announces its financial results for the first six months ending 30 June 2011 and interim dividend of 4.8 US cents per share. The Company is also upgrading revenue and EBITDA guidance for full year 2011 by 9 percent and 10 percent, respectively, since the most recent guidance provided in May 2011.

EXECUTING GROWTH STRATEGY IN FIRST HALF 2011

RESULTS SUMMARY

First Half 2011 Results:
- Revenue US$959 million; up 40 percent versus first half 2010
- EBITDA US$165 million; up 69 percent versus first half 2010
- NPAT of US$74 million; up 126 percent versus first half 2010
- Earnings per share of 16.1 US cents; up 127 percent versus first half 2010
- Dividend of 4.8 US cents per share; up 129 percent versus first half of 2010

Revised Full Year 2011 Outlook:
- Revenue of US$1.9 billion; up 29 percent over full year 2010
- EBITDA of US$330 million; up 49 percent over full year 2010

Boart Longyear's 2011 first half results reflect strong organic growth and EBITDA margin recovery in both its Drilling Services and Products businesses. Demand is strong in all regions. The backlog for the Products business was up 27 percent at the end of the first half of 2011, as compared to the same period last year. Rig utilisation for Drilling Services averaged approximately 75 percent during the first half of 2011. The Company has hired over 1,000 full time employees since December 31, 2010, taking the total workforce to over 10,200 at the end of the period.

US $M	**1H 2010**	**1H 2011**	**% change**
Revenue	685	959	**40%**
Gross Margin	165	259	**57%**
Gross Margin %	24%	27%	
EBITDA	98	165	**69%**
EBITDA Margin %	14%	17%	
NPAT	33	74	**126%**
NPAT Margin %	5%	8%	
EPS (cents)	7.1	16.1	**127%**
Cash from Operations	(13)	22	
Headcount	8,883	10,223	**15%**

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Total revenue for the first half of 2011 was US$959 million, an increase of 40 percent, as compared to US$685 million for the first half of 2010. Total EBITDA for the half year was US$165 million, an increase of 69 percent over the same period last year.

Drilling Services

US $M	1H 2010	1H 2011	% change
Revenue	511	682	***33%***
EBITDA	91	129	***42%***
EBITDA Margin %	*18%*	*19%*	

Products

US $M	1H 2010	1H 2011	% change
Revenue	175	277	***58%***
EBITDA	37	67	***81%***
EBITDA Margin %	*21%*	*24%*	

The Drilling Services division generated US$129 million in EBITDA, up 42 percent over the same period in 2010. The Products division generated US$67 million in EBITDA, up 81 percent over the same time period in 2010.

Cash from operations of US$22 million compares to a US$13 million cash use for the first half of 2010. Cash continues to be invested in the business during 2011, in anticipation of ongoing growth in 2012. Operating cash funded working capital needs, supporting the US$274 million increase in revenue.

DIVIDEND

Earnings per share for the first half of 2011 were US 16.1 cents, up 127 percent from the same period last year. An interim dividend of 4.8 US cents per share has been determined, representing 30 percent of net profit after tax for the first half. The first half dividend will be 35 percent franked and is expected to be paid on 7 October 2011 to shareholders of record on 9 September 2011.

OUTLOOK

Operating trends continue to be favourable and demand for products and services remains robust. Taking these and other positive business indicators into consideration, and assuming normal seasonality in November and December, the Company is upgrading its 2011 full year guidance. Estimated revenues for full year 2011 are now expected to be US$1.9 billion, which is 29 percent higher than full year 2010, and EBITDA for 2011 is expected to be US$330 million, a 49 percent increase over full year 2010.

The Company remains focused on increasing shareholder value through organic growth, product innovation, and margin expansion. Capital expenditure in 2011 is expected to be US$210 million, an increase of US$10 million over previous guidance.

Boart Longyear continued to experience rapid growth in the first half and expects this market will continue to grow during the remainder of 2011. Rig utilization is being managed in the Drilling Services division to allow for proper driller training, optimisation of contracts, and maintaining key clients.

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The Products division has finished several capacity additions and can adequately support expected demand through 2012. Inventory levels continue to be maintained at higher than normal levels in most regional warehouses, supporting faster response times for Products customers.

As planned, eight new products were launched in the first half of 2011, with more planned by the end of the year. The Company will continue to invest in new assets, R&D, and also in rigorous employee training as the hiring continues. Consolidation of the global footprint continues with a new manufacturing facility in Perth and a new R&D center combined with the regional headquarters in Adelaide.

Boart Longyear's CEO, Craig Kipp, commented, "The continued improvement in first half earnings is the result of the recent strong commodity market and the Company's preparation in 2010 for this expected demand. Last year we successfully invested in drilling productivity, manufacturing capacity and multiple new products.

"Additionally, we have finished the restructuring of our capital structure. In the past 6 months we have retired all previous IPO debt facilities with new senior notes and a bank debt facility. These facilities took advantage of historically low interest rates and supported our desire for staggered maturities, with limited covenants, through the cycle."

Mr. Kipp continued, "We expect to see continued strong growth in our markets and positive pricing trends during the upcoming annual re-contracting period. This is only the second re-pricing period during the recent market recovery. Since material and labour costs have increased significantly since 2008, margin recovery may lag peak 2008 performance until global pricing levels reach new post-2008 benchmarks. We are hopeful of returning to peak 2008 pricing levels in 2012 or early 2013.

"Finally, we are executing to our long-term plans laid out early in the 2010 market recovery. However, we remain very vigilant concerning ongoing globally uncertainties and will continue to keep our cost structure in line and variable in order to respond quickly to any unforeseen market dynamics."

About Boart Longyear

Boart Longyear is a 120-year-old global mineral exploration company that provides mineral exploration services and drilling products for the global mining industry and also has a substantial drilling presence for water exploration, environmental sampling, energy, and oil sands exploration.

Headquartered in Salt Lake City, Utah, with 2010 sales of US$1.476 billion and over 10,000 employees worldwide, the company conducts contract drilling services in over 40 countries, and provides mining products to customers in over 100 countries. Regional offices and operations are located in Adelaide, Australia (Asia Pacific), Geneva, (EMEA), Santiago (Latin America), and Mississauga (North America).

The company can be found on the Web at www.boartlongyear.com. To get Boart Longyear news direct, visit http://www.boartlongyear.com/rss.

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