

27 August 2019

Special General Meeting – Reverse Split (Share Consolidation)

Boart Longyear Limited (**ASX:BLY**) – [Boart Longyear](http://www.boartlongyear.com), the world's leading provider of drilling services, an expert in providing valuable orebody knowledge, and a pioneer in drilling equipment and performance tooling, announces that it intends to execute a share consolidation to improve transparency of the value of Boart Longyear to its existing and prospective shareholders.

Subject to receiving the requisite shareholder approval, the Company intends to consolidate every 300 shares into 1 share. The share consolidation will provide the Company with a share price that is more in line with its size and market capitalisation. For example, a pre-consolidation share price of 0.8c would equate to a share price of \$2.40 post-consolidation.

In accordance with ASX Listing Rule 7.20 *Reorganisation of shares and units*, Boart Longyear advises that it proposes to hold an Extraordinary General Meeting (**EGM**) at 10:00am on Wednesday, 30 October 2019, at the offices of Ashurst, Level 9, 5 Martin Place, Sydney NSW 2000, Australia.

Jeff Olsen, Boart Longyear's CEO, commented, "Boart Longyear has demonstrated consistent and significant improvement in its financial performance since 2015, improving full year adjusted EBITDA performance by \$81 million over the period and reducing the debt to adjusted EBITDA ratio from 23.2 (2016) to 8.5 (2018)."

At the EGM, the Company will request shareholders to consider, and if thought fit, to pass the following resolution of the Company:

"That for the purpose of Section 254H of the Corporations Act, ASX Listing Rule 7.20, ASX Listing Rule 7.22 and for all other purposes, the issued capital of the Company be consolidated on the basis that every three hundred (300) shares be consolidated into one (1) share, and where this Reverse Split (Consolidation) results in a fraction of a share being held by a shareholder, the Directors of the Company be authorised to round that fraction up to the nearest whole share, with the Reverse Split (Consolidation) to take effect on a date to be announced to the ASX in accordance with the requirements of the ASX Listing Rules."

Background

Section 254H of the Corporations Act 2001 (Cth) (**Corporations Act**) provides that a company may, by resolution passed in a general meeting, convert all or any of its shares into a larger or smaller number.

The Company has approximately 26.3 billion shares on issue. This large number of shares imposes a number of disadvantages upon the Company, including:

- negative perception associated with a low share price and earnings per share which are a fraction of a cent;
- precluding investment from institutional investors who may be limited by their charters or mandates from investing in shares with low share prices;

- administrative cost and inconvenience associated with the volume of shares in the market; and
- additional share price volatility arising from the fact the minimum share price movement permitted by the ASX (of 0.005 cents) represents a higher proportion of the Company's share price than it would if the Company had a share price comparable to other companies with similar market capitalisation.

The Directors believe that a Reverse Split (Consolidation) of the shares would assist in dealing with these disadvantages and would enable a more appropriate share price for a listed entity of Boart Longyear's size and market capitalisation. A reduction in the number of outstanding shares should also assist the market to more easily recognise improvement in the Company's financial performance.

The EGM resolution seeks shareholder approval to consolidate the Company's issued share capital by consolidating every 300 shares into 1 share. If this Resolution is passed, the number of shares on issue will be reduced from 26,296,215,464 fully paid ordinary shares to 87,654,051 fully paid ordinary shares on issue, subject to rounding discussed below.

Rounding

Where any shareholders have a holding, which is not a multiple of 300 and would otherwise result in a fractional entitlement post-Consolidation, the Company will round up that holding to the next whole number. The Company reserves its right to round differently if it believes holdings have been manipulated or formed to gain an advantage through the rounding process.

Share Options & Warrants

All share options (quoted and unquoted) and warrants that were issued in conjunction with the 2017 recapitalisation of the Company, will be treated in the same manner.

The effect of the Reverse Split (Consolidation) on the number and exercise price of the Quoted Ordinary Warrants is set out below:

Expiry Date	Pre-Consolidation		Post Consolidation	
	Number	Exercise Price	Number	Exercise Price
13 September 2024	602,739,409	\$0.021	2,009,132	\$6.30

The effect of the Reverse Split (Consolidation) on the number and exercise price of the Unquoted Class A Warrants and Class B Warrants is set out below:

Expiry Date	Pre-Consolidation		Post Consolidation	
	Number	Exercise Price	Number	Exercise Price
Class A 7% Warrants 1 September 2024	84,832,619	\$0.006	282,776	\$1.80
Class B 7% Warrants 1 September 2024	43,509,750	\$0.010	145,033	\$3.00

The effect of the Reverse Split (Consolidation) on the number and exercise price of the Unquoted Executive Options is set out below:

Expiry Date	Pre-Consolidation		Post Consolidation	
	Number	Exercise Price	Number	Exercise Price
15 March 2024	3,517,285	\$0.3200	11,725	\$96.00
1 April 2024	324,204	\$0.3200	1,081	\$96.00
19 May 2024	3,034,753	\$0.1920	10,116	\$57.60
1 April 2025	3,034,753	\$0.1920	10,116	\$57.60
26 May 2025	14,096,367	\$0.1990	46,988	\$59.70
1 April 2026	3,034,752	\$0.1920	10,116	\$57.60
Total	27,042,114		90,142	

Schedule

The company has published an indicative timetable for the completion of the Reverse Split (Consolidation), which is set out below. For further information, shareholders are invited to contact the Company's registrar, Link Market Services, on +61 1 800 781 633 (free call within Australia).

EVENT	DATE
Announcement of proposed Reverse Split (Consolidation)	27 August 2019
Record date to determine eligibility to vote at the EGM	28 October 2019
EGM to approve resolution to consolidate shares	30 October 2019
Announcement of approval of Reverse Split (Consolidation)	30 October 2019
Last day for ASX trading of shares (BLY) and options (BLYO) on a pre-Reverse Split (Consolidation) basis	31 October 2019
Trading in consolidated shares and options, on a deferred settlement basis, starts	1 November 2019
Last day for the Company to register share and option transfers on a pre-Reverse Split (Consolidation) basis	4 November 2019
First day for the Company to register share transfers on a consolidated basis and first day for the Company to issue holding statements for shares and options on a consolidated basis	5 November 2019
Company announces to the ASX that despatch of the new holding statements has occurred	11 November 2019
Deferred settlement trading ends	11 November 2019
Normal T + 2 trading in consolidated shares and options starts	12 November 2019
Settlement of trades conducted on a deferred settlement basis and first settlement of trades conducted on the normal T + 2 basis	13 November 2019

References in the above table to "options" are to quoted options trading BLYO.



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About Boart Longyear

Boart Longyear is a leading global supplier of drilling services, drilling equipment and performance tooling. It also has a substantial presence in aftermarket parts and service, energy, mine dewatering, oil sands exploration, and production drilling.

The Global Drilling Services division operates in 30 countries for a diverse mining customer base spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals. The Global Products division designs, manufactures and sells drilling equipment, performance tooling, and aftermarket parts and services to customers in over 100 countries.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia. More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, visit <http://www.boartlongyear.com/rssfeed>.

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