

ASX ANNOUNCEMENT (ASX:BLY)

30 June 2021

ASX Markets Announcement Office
Exchange Centre
20 Bridge Street
SYDNEY NSW 2000**BY ELECTRONIC LODGEMENT****Boart Longyear proceeds with amendments to Senior Secured Notes**

Boart Longyear Limited (**ASX: BLY**) - As previously announced, Boart Longyear is pursuing a comprehensive recapitalisation (the **Recapitalisation**). As part of the Recapitalisation process, the Company can now confirm it has received consents from holders of 99.86% of the Senior Secured Notes along with receiving the ASX relief necessary to implement the proposed amendments.

Material terms of Senior Secured Notes amendment

The Senior Secured Notes have a scheduled maturity date of December 2022 and are secured by various liens provided by entities within the BLY Group (as explained in the Company's 31 December 2020 Annual Report).

The current rate of interest applicable in respect of the notes is 10%. The interest entitlement for those noteholders who agree to take interest by way of PIK Notes will be 14.5% for 30 June 2021. Non-consenting Senior Secured Note Holders will continue to receive interest in cash at the stated rate of 10% per annum.

PIK Notes will be issued on the same terms and conditions as the current outstanding Senior Secured Notes (other than the issuance dates and the original issue date from which interest started accruing, and with PIK interest as specified above).

The Company notes that Senior Secured Notes are held by Centerbridge Partners LP (**Centerbridge**) and Ascribe Capital LLC (**Ascribe**), each of whom hold over 10% of the Company's voting securities, among others.

The Company has considered and is satisfied that the arrangements with Centerbridge and Ascribe in respect of the Senior Secured Notes and PIK Notes are on arm's length terms. These shareholders acquired their interests in the Senior Secured Notes after they were issued. The PIK Notes will otherwise be issued on the same terms and conditions as the existing Senior Secured Notes.

The Company considers that proposed amendments to the Senior Secured Notes are fair and reasonable to the Company's shareholders, including having considered whether alternative financial accommodation could have been obtained from third parties. The commercial effect of the amendments is to enable the Company to satisfy a payment obligation to its debt-holders through the issue of further debt instruments – without the amendment to the Senior Secured Notes the Company would have needed to make the coupon payments at the current coupon entitlements in cash.

ASX ANNOUNCEMENT (ASX:BLY)**Listing Rule 10.1 Waiver**

The terms of the ASX Waiver are set out in **Attachment A**.

Authorised for lodgement by:

Nora Pincus,
Company Secretary

About Boart Longyear

Established in 1890, Boart Longyear is in its 131st year as the world's leading provider of drilling services, orebody-data-collection technology, and innovative, safe and productivity-driven drilling equipment. With its main focus in mining and exploration activities spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals, the company also holds a substantial presence in the energy, oil sands exploration, and environmental sectors.

The Global Drilling Services division operates for a diverse mining customer base with drilling methods including diamond coring exploration, reverse circulation, large diameter rotary, mine dewatering, water supply drilling, pump services, production, and sonic drilling services.

The Geological Data Services division utilises innovative scanning technology and down-hole instrumentation tools to capture detailed geological data from drilled core and chip samples. This valuable orebody knowledge gives mining companies the ability to make timely decisions for more efficient exploration activities.

The Global Products division offers sophisticated research and development and holds hundreds of patented designs to manufacture, market, and service reliable drill rigs, innovative drill string products, rugged performance tooling, durable drilling consumables, and quality parts for customers worldwide.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia (ASX:BLY). More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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Attachment A - Waiver

1. *Based solely on the information provided, ASX Limited ('ASX') grants Boart Longyear Limited (the 'Company') a waiver from listing rule 10.1 to the extent necessary to permit the Company and its subsidiaries to adjust the terms of the senior secured notes ('Notes') to provide for the payments of interest for the interest period ending 30 June 2021, by increasing the principal amount of outstanding Notes at an annual rate of 14.5% by the issue of additional Notes on the same terms and conditions as the existing outstanding Notes (the 'PIK Notes') and to increase the security over its assets in favour of Centerbridge Partners, LP ('Centerbridge') and Ascribe Capital LLC ('Ascribe') and their associates (the 'Security'), without obtaining shareholder approval on the following conditions. 1.1. The material terms of the Notes, PIK Notes and the terms of this waiver are announced to the market. 1.2. The announcement includes a description of the reasons why the entity has chosen to adjust the terms of the Notes which effectively obtains financial accommodation from a 10.1 party rather than a lender that is not a 10.1 party and the steps the board of the entity (or in the case of a listed trust, the RE of the trust) has taken to satisfy itself that the agreement to issue the PIK Notes is being entered into on arm's length terms and is a fair and reasonable from the perspective of the holders of the entity's ordinary securities.*
 - 1.3. *The Security documents expressly provide that:*
 - 1.3.1. *the Security is limited to the funds due under the financial accommodation;*
 - 1.3.2. *the Security will be discharged when the funds due under the financial accommodation have been repaid in full;*
 - 1.3.3. *in the event the Security is enforced, the assets can only be disposed of to the 10.1 party or an associate of the 10.1 party if the disposal is first approved by the entity's security holders under listing rule 10.1; and*
 - 1.3.4. *otherwise if the holder of the Security exercises, or appoints a receiver, receiver and manager or analogous person to exercise, any power of sale under the Security, the assets must be sold to an unrelated third party on arm's length commercial terms and the net proceeds of sale distributed to the 10.1 party in accordance with their legal entitlements.*
 - 1.4. *Any variations to the terms of the financial accommodation of the Security which:*
 - 1.4.1. *advantages either Centerbridge or Ascribe in a material respect;*
 - 1.4.2. *disadvantages BLY in a material respect; or*
 - 1.4.3. *is inconsistent with the terms of the waiver,**must be subject to security holder approval under Listing Rule 10.1.*
 - 1.5. *For each year while they remain on foot, a summary of the material terms of the financial accommodation and the Security is included in the related party disclosures in the entity's audited annual accounts.*
2. *ASX has considered Listing Rule 10.1 only and makes no statement as to the Company's compliance with other listing rules*