

ASX ANNOUNCEMENT (ASX:BLY)

17 May 2021

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

Boart Longyear Limited (**ASX: BLY**) (**Boart Longyear, Boart, or the Company**) - As previously announced, Boart Longyear is pursuing a comprehensive recapitalisation (the **Recapitalisation**). As part of the Recapitalisation, Boart has obtained a commitment for US\$50 million of new financing (the **New Financing**). Boart is soliciting consents from the holders of its Senior Secured Notes due December 2022, to amendments to the terms of the Senior Secured Notes to permit the incurrence of the New Financing and related matters.

The Company has determined that it intends to proceed with the proposed amendments if they are consented to by at least 90% of the Senior Secured Noteholders. The Company has entered into the previously announced Restructuring Support Agreement with the substantial majority of the Company's lenders. In connection with the Restructuring Support Agreement, Senior Secured Noteholders holding approximately 99% of its Senior Secured Notes have committed to consent to the proposed amendments to the Senior Secured Notes and consequently the Company expects that the solicitation process will receive at least that level of noteholder support. The terms of the Notes held by Senior Secured Noteholders who do not consent to the proposed amendments will remain unchanged.

Disclosure of Confidential Information Provided to Debt Holders in connection with Negotiating the Restructuring Support Agreement.

The Company has engaged in confidential discussions with certain additional debt holders in connection with negotiating the Restructuring Support Agreement. In connection with such discussions, the Company provided confidential information, including certain financial forecasts, (**Confidential Information**) to those parties and their respective financial and legal advisers to assist their evaluation of the Restructuring Support Agreement. These forecasts have not been updated and should not be relied upon by any investor. Pursuant to the Company's confidentiality agreements with those holders, the Company is required to publicly disclose the Confidential Information it has disclosed to them. A summary of the Confidential Information is set out in the **Appendix**.



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ASX ANNOUNCEMENT (ASX:BLY)

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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ASX ANNOUNCEMENT (ASX:BLY)**APPENDIX: Confidential Information Provided to Debt Holders in connection with Negotiating the Restructuring Support Agreement**

The Company has disclosed certain confidential information (including forward looking information) to certain of its creditors in connection with the Recapitalisation. Those lenders acknowledged that:

- the forward-looking information had been prepared only for the Company's internal management purposes and for undertaking discussions with certain lenders;
- had not been approved or adopted by the board of the Company nor independently verified;
- depend on certain key assumptions which are matters of opinion only and may not be reasonable or prove to be correct (and some of which are unstated or hypothetical);
- depend on a number of matters which involved subjective opinions (and did not represent the Company's plans or decisions); and
- are subject to significant uncertainties and contingencies many of which were outside the Company's control.

Notwithstanding this, the Company has been advised that to comply with US securities laws it is required to publicly disclose certain information it has disclosed to those lenders.

The information disclosed to certain of the Company's lenders includes forward looking information which is inherently unreliable, as it constitutes forecasts based on scenarios and assumptions that may or may not occur long into the future. By its nature, forward-looking information is based on assumptions and involves unknown risks, uncertainties and other factors which may cause the information to be materially different from future results, performance or achievements expressed or implied by such forward-looking information. The disclosure of this forward-looking information is not a representation by the Company as to any future matter and, accordingly, readers should not place any reliance on the forward-looking information.

This disclosure is being furnished to comply with the Company's obligations under applicable legislation and non-disclosure agreements. These materials should not be regarded as an indication or a representation that the Company or any other person considered, or now considers, this information to be predictive of actual future results and does not constitute an admission or representation by any person that such information is material, or that the expectations, beliefs, opinions and assumptions that underlie these materials will remain the same as of the date of this disclosure.

The information contained in these materials may be or have been superseded by subsequent developments. None of the Company or any of its affiliates or representatives have made or make any representation to any person regarding the forecast financial information disclosure, and none of them undertakes any obligation to publicly update such information to reflect circumstances existing after the date when the information was made or to reflect the occurrence of future events, even in the event that any or all of the underlying assumptions are shown to be in error. The forecast financial information has been prepared by management of the Company without any independent verification and has not been approved or adopted by the board of the Company. It

ASX ANNOUNCEMENT (ASX:BLY)

depends on certain key assumptions which are matters of opinion only and may not be reasonable or prove to be correct (and some of which are unstated or hypothetical). It also depends on a number of matters which involve subjective opinions (and do not represent the Company's plans or decisions) and are subject to significant uncertainties and contingencies many of which are outside the Company's control. Readers are cautioned not to place any reliance on these materials.

The financial information reflected in this disclosure does not purport to present the Company's financial condition in accordance with accounting principles generally accepted in Australia, the United States or any other country. The Company's independent accountants have not audited or performed any review procedures on this disclosure (except insofar as certain historical financial information may have been derived in part from the Company's historical annual financial statements).

Disclosure

The Company has produced the following business scenarios based on a certain set of assumptions regarding the market environment and other business conditions. These ranges reflect the Company's base case as well as its revised budgets. Should any of the underlying assumptions change, the following figures will also change. Therefore, these scenarios are inherently unreliable and do not in any way constitute guidance by the Company. The information was prepared for the particular purpose of undertaking discussions with certain of its lenders.

	FY 2021	FY 2022	FY 2023
(US\$ in millions)	Range	Range	Range
Revenue	650 - 880	750 - 1,000	825 - 1,100
SG&A	90 - 100	90 - 100	90 - 100
EBITDA	60 - 115	100 - 200	125 - 250
Capital Expenditures	40 - 60	75 - 120	75 - 120
Change in Working Capital	(15) - (25)	(15) - (20)	(5) - (10)
Unlevered Free Cash Flow	(5) - 5	15 - 25	50 - 100

The Company anticipates a total capital need of up to \$55m, comprised of ~\$45m in interim financing need (which the current Restructuring Support Agreement addresses with interim financing), and an additional ~\$10m in exit financing need.