

ASX Release

19 February 2010

2009 EARNINGS RELEASE

Boart Longyear Limited (**ASX: BLY**) today announced the 2009 Results and 2010 Outlook.

STRONG CASH FLOW AND STRENGTHENED BALANCE SHEET

Overview

2009: Positive Cash Generation

- o Adjusted Net Operating Cash Generated US\$129 million
- o Revenue US\$978 million, down 47%
- o Adjusted EBITDA US\$128 million, Statutory EBITDA US\$111 million
- o Adjusted Net Income US\$7 million, Statutory Net Income (US\$15 million loss)
- o Net debt US\$48 million, 94% improvement

2010: Optimistic, but Cautious

- o Full Year Revenue outlook US\$1,125 million (15% growth)
- o Potential upside on Revenue...potential offsetting pressure on Margins
- o Full Year EBITDA outlook US\$170 million
- o Capital expenditure budget set at US\$100 million (+270% from 2009)
- o No final dividend to be paid for 2009
- o Acquisitions: evaluating, but very cautious

Boart Longyear Limited today released its annual financial results for 2009.

2009 represented a very challenging year. The global financial crisis in late 2008 led to tight credit market conditions that endured for most of 2009. This resulted in limited access to financing by junior miners and reduced expenditures related to mineral exploration for the major mining and resource companies. As a result, the Company's backlog of manufactured products dropped sharply and the utilisation level of its global drilling rig fleet also declined. This trend stabilised in late 2009 as customer inventories began to deplete and rig utilisation increased.

The Company reduced manufacturing capacity and head count, lowered overhead and operating costs, and cut back capital expenditure. As a result, the Company generated US\$129 million in adjusted net operating cash during the year.

In August 2009, Boart Longyear began an equity raising initiative that resulted in gross proceeds of US\$698 million through the issuance of new shares. The proceeds raised were used to repay the Company's US\$585 million term debt facility due to mature in April 2010 and to pay down a portion of the Company's bank revolver facility. As a result of these actions, the Company ended 2009 with a strong balance sheet, including net debt of US\$48 million and undrawn facilities totalling US\$133 million.



**BOART
LONGYEAR**
FINANCIAL OVERVIEW

US \$M	2008	2009	% Change
Revenue	1,839	978	-47%
Gross Margin	578	234	-60%
Gross Margin %	31%	24%	
EBITDA	356	111	-69%
EBITDA Margin %	19%	11%	
Adjusted EBITDA¹	367	128	-65%
Adjusted EBITDA Margin %	20%	13%	
NPAT	157	(15)	-110%
Adjusted NPAT²	163	7	-96%
Adjusted NPAT Margin %	9%	1%	
Cash from Operations	144	117	-19%
Adjusted Cash from Operations³	149	129	-13%
Adjusted Cash from Operations %	8%	13%	

¹ Adjusted EBITDA: Adjusted to remove restructuring charges and the (gain)/loss on the disposal of businesses. Restructuring charges in 2008 and 2009 were \$20.3M and \$12.6M respectively. Losses / (gains) on business disposals in 2008 and 2009 were (\$9.1M) and \$4.2M respectively

² Adjusted NPAT: Adjusted to remove restructuring charges, the (gain)/loss on the disposal of businesses, debt restructuring charges and related tax charges. Restructuring charges net of tax in 2008 and 2009 were \$13.8M and \$8.3M respectively. Losses / (gains) on business disposals in 2008 and 2009 were (\$7.8M) and \$3.0M respectively. Debt restructuring charges related to the write-down of swaps was \$110M

³ Adjusted Cash from Operations: Adjusted to remove cash flows related to restructuring charges, the (gain)/loss on the disposal of businesses and related tax charges. Restructuring cash flows net of tax in 2008 and 2009 were \$4.7M and \$0.5M respectively. Cash Flows net of tax related to business disposals in 2008 and 2009 were \$10M and \$1.3M respectively

Total revenue for the twelve months ended 31 December 2009 was US\$978 million, a decrease of approximately 47% as compared to US\$1.8 billion for the prior twelve months ended 31 December 2008.

In 2009, the Global Drilling Services division generated US\$737 million in revenues, down 41% as compared to the previous year. Lower revenues were attributable to lower volumes, lower pricing for certain drilling services and unfavourable Fx movements. Over 80% of the price impact was offset by cost, productivity savings and purchasing leverage.

In 2009, the Global Products division generated revenue from ongoing operations of US\$241 million, down 60% as compared to the previous year. Lower revenues were attributable to lower volumes, lower pricing, Fx and high levels of customer inventory.

Total adjusted EBITDA for 2009 was US\$128 million, reflecting a decrease of 65% as compared to 2008. Global Drilling Services' EBITDA decreased by 52% to US\$142 million as compared to US\$295 million in 2008. Global Products' EBITDA decreased by 80% to US\$26 million as compared to US\$129 million in 2008.

Adjusted net profit after tax for 2009 was US\$7 million as compared to US\$163 million in 2008, a decrease of US\$156 million. Despite the extremely challenging 2009 operating environment, Boart Longyear generated positive adjusted net income due to swift and



dramatic cost reductions and controls. Overall company SG&A was reduced by US\$103 million in 2009.

Adjusted cash from operations of US\$129 million compares to US\$149 million for 2008. As a percent of revenue, adjusted cash from operations improved from 8% of revenue in 2008 to 13% of revenue in 2009. Cash spent on capital expenditures in 2009 was US\$37 million, down from US\$146 million in 2008.

DIVIDENDS

The Board of Directors has decided not to pay a final 2009 dividend. The Board will continue to evaluate the Company's financial position and outlook on a regular basis and hopes to resume payment of dividends when conditions allow.

OUTLOOK

The Company is optimistic but cautious looking into 2010. We expect improvements in business activity from 2009 levels in the coming months, however, the exact timing and magnitude of this improvement remains uncertain given the many factors impacting the global economy. Full year 2010 outlook is for Revenue of US\$1,125 million and EBITDA of US\$170 million.

Boart Longyear's CEO Craig Kipp stated, "There are many indicators from the last half of 2009 that bring optimism for a stronger business performance in 2010. Our products backlog and rig utilisation rates improved. The capital markets opened up for Juniors and Majors. Commodity prices continue to trend positive. Finally, drilling pricing has stabilised and is beginning to trend positive in some of our markets. These movements would suggest an improving market for drilling services and drilling products. However, visibility still remains limited because of the global economic uncertainty and the seasonal December/January slow down. We will have a better understanding once we complete the 2010 first quarter and we will provide an update at the AGM in May."

Mr. Kipp continued, "There are two key 2009 accomplishments of which I am most proud. First, our safety metrics showed a 43% improvement in LTIR's (Lost Time Incident Rate) and a 17% improvement in TCIR's (Total Case Incident Rate). Safety continues to be a hallmark of the Boart Longyear brand and a cornerstone of our corporate culture. Second, despite severe cost constraints and rapid global restructuring efforts, we continued a very robust R&D program, resulting in an exciting pipeline of new products and drilling technology for 2010."

Boart Longyear continues to be focused on driving exploration technology, building relationships with key mining and drilling customers, and leveraging the unique products and services mix. The Company's mission is to provide the same training, processes, equipment and delivery in every region, mine site and operating environment to ensure consistency with Boart Longyear standards across the globe. As this market turns around, Boart Longyear's goal is to remain positioned as the strongest and most agile player in the market.

WEBCAST INFORMATION

Boart Longyear Limited will host a presentation to discuss the Company's 2009 results. The event will be held on Friday, February 19th, 2010 at 10:00 a.m. Australian Eastern Daylight time (4:00 p.m. U.S. MST February 18th). Those not attending in person may participate via the following:

<http://webcast.viostream.com/?viocast=2332&auth=cebf0761-7b51-4efa-8918-b9908735bdb2>

Or

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



About Boart Longyear

Boart Longyear is a 120-year-old global mineral exploration company with its headquarters in Salt Lake City, Utah. It is publicly listed on the ASX (Australian Stock Exchange) in Australia. Regional offices and operations are located in Asia Pacific, North and South America, Europe and Africa. The Company is the leading provider of 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.

With 2009 sales of over U.S. \$975 million and over 6,500 employees worldwide, the Company conducts contract drilling services in more than 40 countries, and provides mining products to customers in over 100 countries.

Regards,

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