


18 August 2014

Amendment to Bank Credit Agreement

Boart Longyear Limited (**ASX: BLY**) announces today that it has amended the terms of its revolving credit facility to provide additional flexibility around covenants.

The amendment to the credit facility's financial covenants, which was unanimously supported by the bank group, reduces the minimum last-twelve-months EBITDA covenant to US\$35 million through the March 2015 covenant compliance testing date and increases maximum permitted gross debt to US\$715 million at the 30 September 2014 testing date. The credit agreement's financial covenants otherwise remain as reported in the Company's 24 February 2014 disclosure concerning the prior amendment to the credit agreement and are reflected in the table below.

	Jun-2014	Sep-2014	Dec-2014	Mar-2015	Jun-2015	Sep-2015	Dec-2015	Mar-2016	Jun-2016
Minimum LTM EBITDA	\$45M	\$35M			N/A				
Minimum Interest Cover	Suspended				1.55x				
Minimum Liquidity	Suspended				\$30M				
Maximum Total Indebtedness	\$700M	\$715M	\$670M	\$720M	\$725M				

 Changes from prior amendment (amendment #6, dated Feb-2014)

The Company notes that the credit facility's pricing for drawn and undrawn amounts and July 2016 maturity date remain unchanged from existing terms. Available lending commitments also are unchanged at US\$140 million, although the banks' commitment may reduce to US\$120 million in the event the Company's Canadian tax assessments for the 2007-09 tax years were to be overturned. (Please refer to Note 14 to the Company's Annual Financial Report for the year ended 31 December 2013 for more information concerning the Canadian assessments.)

In connection with the amendment, the Company provided the bank group, on a confidential basis, background and current information on the status of the strategic review of recapitalisation options initiated by the Company in February. The Company considers the submission of this information and the related discussions as satisfying the information requirement arising from the prior amendment to the credit agreement that the Company must submit by 30 September 2014 a plan to the banks that proposes full repayment of the facility by the maturity date. The Company notes that such submissions are still subject to an independent review, should the bank group elect to require that review.

Richard O'Brien, President and Chief Executive Officer of Boart Longyear, commented, "We thank our bank group for their continued willingness to provide the Company with a favourable and constructive amendment to our credit agreement. As previously announced, our forecasts for 2014 and early 2015 indicate that we expect to be in compliance with the prior covenants for those periods, but we thought it prudent to provide the Company with additional head room under the covenants as we continue to pursue a recapitalisation solution through the ongoing strategic review process. We appreciate our bank group's confidence in, and support of, the strategic review."



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Disclaimer

This announcement contains certain “forward-looking statements.” The words “anticipate,” “believe,” “expect,” “project,” “forecast,” “estimate,” “likely,” “intend,” “should,” “could,” “may,” “target,” “plan” and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Due care and attention has been used in the preparation of forecast information. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the Company’s control and may cause actual results to differ materially from those expressed or implied in such statements. There can be no assurance that actual outcomes will not differ materially from these statements.

About Boart Longyear

Approaching its 125th year anniversary in 2015, Boart Longyear is the world’s leading provider of drilling services, drilling equipment, and performance tooling for mining and drilling companies globally. It also has a substantial presence in aftermarket parts and service, energy, mine de-watering, oil sands exploration, and production drilling.

The Global Drilling Services division operates in over 40 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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