MDR700 Drill Rig

HY 2018 Results

August 2018

Jeff Olsen – Chief Executive Officer

BOART LONGYEAR™

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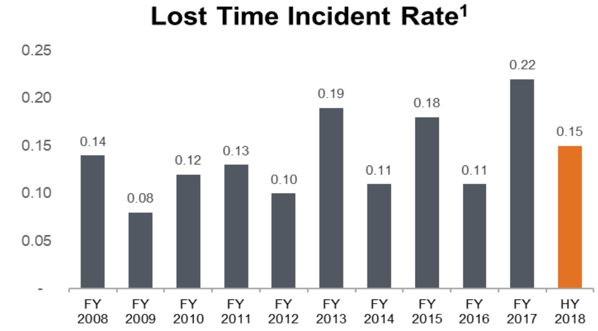
- All references to dollars are to United States currency unless otherwise stated, and financial results presented are not audited.

HY 2018 Highlights
- Strong improvement result of continued cost and productivity focus

Safety

Industry leading safety performance

- LTIR – 0.15 (HY2017 – 0.20) [1]
- TCIR – 1.99 (HY2017 – 1.93) [1]
- Focus to leading indicators to drive better safety outcomes



Operating Performance

Delivered on significant productivity improvements across the organisation

- 15 additional rigs in the field (5%) and overall rig utilisation up 7%
- Company-wide cost and productivity initiatives delivering improved margins
- SG&A reduced by $10M YOY (18% reduction) despite 11% increased revenue
- Continued Investment in new technologies through the cycle;
  - Continued rollout of TruCore™ orientation tool,
  - Introduction of TruShot™ down-hole survey tool,
  - Deployment of TruScan™ on-site assay tool to multiple mining sites with exceptional results

Financial Performance

Stronger key financial metrics reflect efforts to improve the underlying business

- 6 consecutive quarters of financial and operational improvements.
- Revenue up $38M (11%) to $394M driven by higher demand for services and products
- Adjusted EBITDA up $15M (71%) to $37M reflecting improved margins
- NPAT up $69M (81%) resulting in marginal loss of $16M compared to $85M YOY loss

Drilling Services: HY 2018 Operations
- Productivity improvements leveraging higher volumes

Financial Highlights

- **Revenue** - up 11% primarily from current clients expanding existing drilling campaigns
- **EBITDA** - up 14% driven by increased volume, improved productivity and rig uptime
- **Pricing** - seeing incremental but modest improvement in terms & price as utilisation rates increase across the industry
- **Commodities** - gold and copper continue to drive revenues

Key Financials (US $M):	HY 2018	HY 2017	Change Fav / (Unfav)
Revenue	267	241	11%
COGS	227	209	(9%)
SG&A	12	15	18%
EBITDA	39	34	14%
EBITDA as % of Revenue	*15%*	*14%*	

Operating Highlights

- **Operating Rigs**[3] - Average number of operating rigs increased by 5% to 315 from 300
- **Rig Utilisation** – Shifts per rig increased by 14% YOY driving better utilisation of rigs
- **Metrics** - KPI boards rolled out to all sites to monitor and report on customer focused metrics
- **Onboarding** - Implemented new onboarding training packages focused on identifying site hazards and risks
- **Regions** - significant improvements seen in APAC / EMEA.

Global Products: H1 2018 Operations
- Continued growth with simplified sales footprint

Financial Highlights

- **Revenue** - up 11% due to stronger tooling and rig sales across all regions
- **COGS** – up 6% reflecting increased efficiency and leverage on increased volumes
- **EBITDA** - up $9M or 168% due to lower direct costs and lower SG&A costs
- **Margins** – EBITDA margin increased to 12% reflecting improved business performance

Key Financials (US $M):	HY 2018	HY 2017	Change Fav / (Unfav)
Revenue	127	115	11%
COGS	100	94	(6%)
SG&A	16	19	16%
EBITDA	15	6	168%
EBITDA as % of Revenue	*12%*	*5%*	
Pro Forma[4] Revenue (US $M)	**HY 2018**	**HY 2017**	**Change Fav / (Unfav)**
Sales to BLY Drilling Services	30	25	19%
Pro Forma Revenue	157	140	12%

Operating Highlights

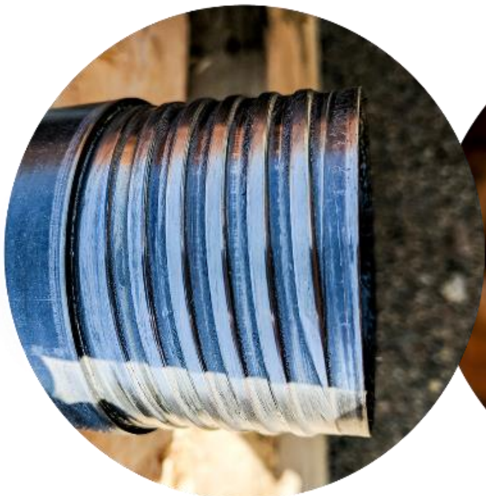
- **Backlog** – strong H1 with increase of 32% to $30M from $23M in June 2017
- **Mix** – Increases seen in Exploration Tooling and Drill Rig sales
- **Throughput** – Implemented plant efficiencies to increase output that will support increased market demand.
- **Regions** - stronger YOY regional performance in across APAC, EMEA and LAM
- **Footprint** – continued growth despite simplification and rationalisation of operating footprint

Leading innovation in the industry

- Investment in tools to improve drill productivity and data collection

XQ™ Rods

(Deep-hole Drilling)



- Quick-start, double-thread design
- Increased strength and load capacity
- Designed for deep hole and rod handling applications

TruCore™

(Core Orientation)

- Highly accurate core orientation data
- Provides consistent results for geologists
- Reduces manual handling for increased driller safety

TruScan™

(On-site Assay)

- Proprietary XRF onsite assay technology by BLY trained techs
- Real-time data and bridges gap between portable and lab
- Field proven

TruShot™

(Down-hole Survey)

- Survey tool launched successfully in June 2018
- Immediately accessible high-quality 3D hole path data
- Optimized for driller field deployment

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Salt Lake City Headquarters

Financial Overview
Brendan Ryan – Chief Financial Officer

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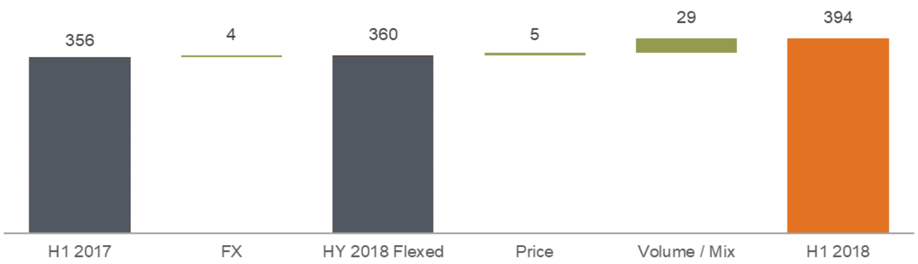
Consolidated Results Summary: HY 2018
- Volume increasing along with continued operational improvements

(US $M)

Consolidated Revenue Bridge

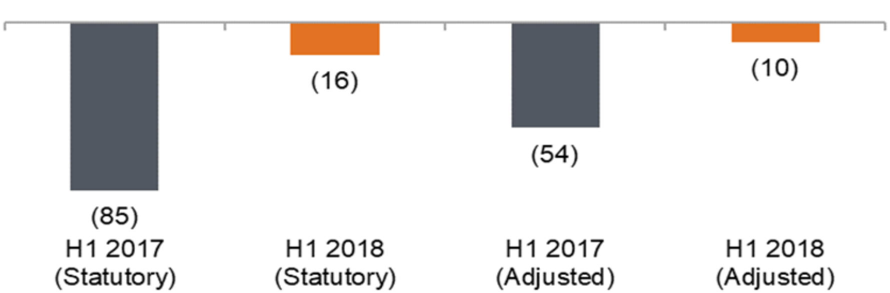


- Revenue increased $38M (11%), driven by volume increases across both Drilling Services and Products
- YOY increase in bidding activity & product backlogs

Consolidated Adjusted EBITDA[2] Bridge

- Adjusted EBITDA up $16M (71%) driven by:
  - Flow through from increased volumes
  - Improvements from ongoing productivity initiatives
  - Further reduction in SG&A
- Statutory EBITDA higher Year on Year by $40M

Net Profit After Tax[2]



- Adjusted NPAT improved by $44M
- Statutory NPAT improved by $67M with 2017 impacted by one-off restructure costs.

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Year-Over-Year Comparison
- Strong improvement result of continued cost and productivity focus

Statutory

(US $M except EPS)	HY 2018	HY 2017	Change Fav / (Unfav)
Revenue	394	356	11%
Gross Margin	64	51	26%
GM as % of Revenue	*16%*	*14%*	
Operating Margin	10	(39)	NMF
OM as % of Revenue	*3%*	*(11%)*	
EBITDA	28	(12)	NMF
EBITDA as % of Revenue	*7%*	*-3%*	
NPAT	(16)	(85)	81%
NPAT as % of Revenue	*(4%)*	*(24%)*	
EPS (cents)	(0.1)	(9.1)	99%

Adjusted[2]

(US $M)	HY 2018	HY 2017	Change Fav / (Unfav)
Revenue	394	356	11%
Adjusted Gross Margin	68	53	27%
Adj. GM as % of Revenue	*17%*	*15%*	
Adjusted Operating Margin	18	(5)	NMF
Adj. OM as % of Revenue	*5%*	*(1%)*	
Adjusted EBITDA	37	21	71%
Adj. EBITDA as % of Revenue	*9%*	*6%*	
Adjusted NPAT	(10)	(54)	82%
Adj. NPAT as % of Revenue	*(2%)*	*(15%)*	

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HY 2018 Financial Highlights
- Focus on continued optimisation of the business

Credit Rating

Moody's and Standard & Poor improve outlook in H1

- Reviews completed by both rating agencies through H1
- Reaffirmed Caa2/CCC+ rating and upgraded outlook to stable (from negative)
- Aim to continue to work with agencies to ensure ratings reflect BLY continued improvement

Cash Management

Focus on releasing cash from the business for re-investment

- Net cash flow used in operating activities down 79% to $12M (from $58M)
- Additional focus has resulted in material improvements in working capital
- Optimising global footprint will release additional cash through further inventory reductions
- Company continued to invest in capital and technological advancements as we continue to focus on our strategy of being technology leader in the industry

Canadian Tax

Partial Resolution with Canadian Revenue Authority (CRA)

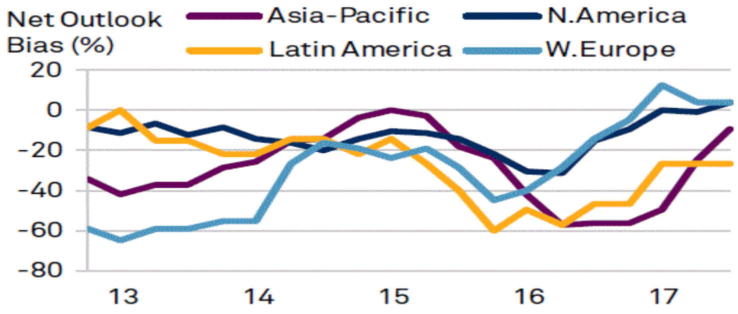
- Successfully resolved US$73 million of US$95 million of the Canadian tax assessments for the 2007-2014 tax years
- Pathway forward to resolve remaining US$22 million that is under appeal with the CRA.

Business Overview

Jeff Olsen – Chief Executive Officer

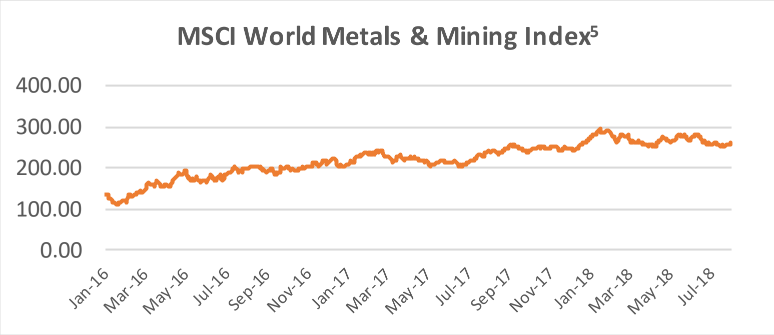
Improving Leading Indicators

Debt Ratios



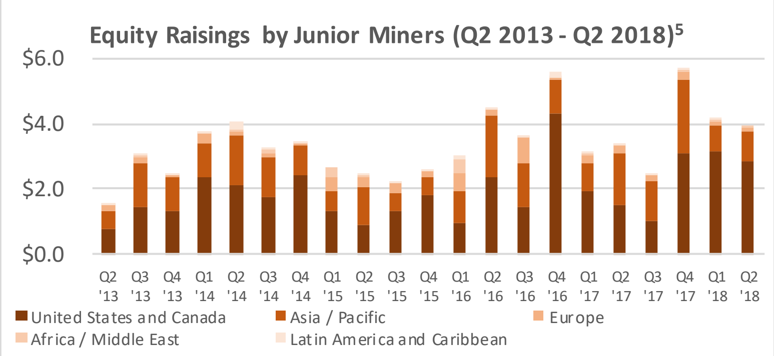
- Mining industry debt ratings are improving
- Improved industry balance sheets will result in increased drilling activity for reserve / resource replenishment

Mining Indices



- Suggests increasing investor interest in mining sector
- Commodity market adversely impacted by escalation of “trade war” and resultant impact on Global uncertainty and GDP growth.
- Supply deficit expected across some commodities if exploration activity does not grow

Equity Raisings



- Junior Miner equity raisings have plateaued
- Activity by junior miners lagging in the recovery

Key focus areas

- Continued focus on delivery of improved results

Safety

Continue to be an industry leader

- Simplify safety systems and standards
- Focus on leading indicators
- Deliver everybody home safely each day

Operations

Customer is at the core of the Company's strategic priorities

- Reduce costs and improve efficiencies with our drilling and products customers through new technologies and products
- Continue to build and harvest the operational efficiency improvements made in H1 2018
- Focus on building commercial intelligence and fleet readiness ahead of market demands

Financial

Create value through improved EBITDA

- Improve performance through focus on costs, efficiencies and market growth opportunities
- Focus on managing working capital to release cash for growth
- Manage capital prudently to maximise return to shareholders

Re-Domiciliation

ASX Listing to be maintained and no change to Management or Operations

- Upon implementation Boart Longyear will become a wholly-owned subsidiary of a new "Boart Canada"
- Eligible shareholders will own Boart Canada CHESS Depository instruments that hold the same economic benefit and have substantially the same voting rights as current Boart Longyear shares.
- Re-domiciliation is consistent with the Company's overall strategies including making the group structure more efficient & minimising costs
- Opens access to larger pool of capital via Canadian Institutional investors

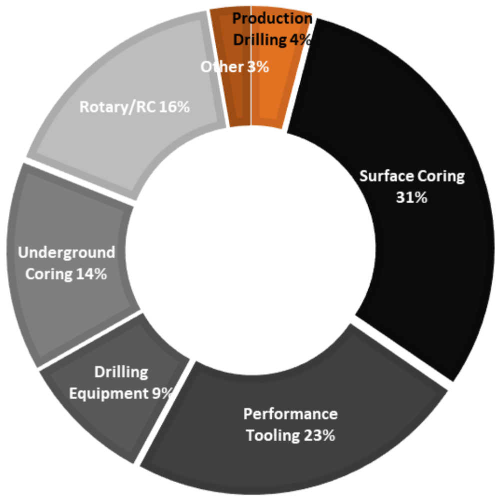
Appendix

Key Performance Indicators by Quarter

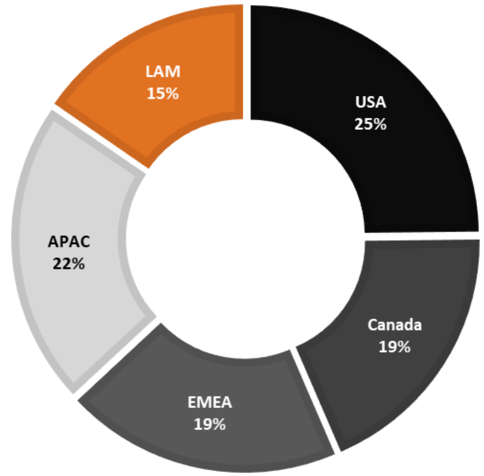
	Quarters ended 2018		Quarters ended 2017				Quarters ended 2016			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Company										
Revenue (US$ millions)	206.4	187.8	183.7	199.2	192.5	163.7	156.9	175.0	168.7	141.8
EBITDA (US$ millions)	15.3	13.0	(20.1)	(4.5)	(7.6)	(4.4)	(15.3)	13.8	15.5	(12.4)
Adjusted EBITDA[2] (US$ millions)	21.1	15.5	5.8	15.9	12.8	8.6	1.3	17.2	19.8	(6.3)
Operating Profit (Loss)	9.6	0.3	(27.5)	(21.5)	(16.9)	(21.8)	(25.5)	(5.5)	3.4	(33.2)
Profit (Loss) from Trading Activities	22.6	0.5	7.1	4.0	7.4	(8.5)	(7.7)	(0.8)	7.8	(23.2)
Net cash flows (used in) provided by operating activities	(12.0)	-	37.9	(34.2)	(18.3)	(39.4)	5.5	16.6	(22.5)	(50.0)
Net Debt (US$ millions)	649.7	615.7	598.9	595.8	753.2	718.4	675.8	674.3	670.1	639.6
SG&A (US$ millions)	21.7	23.0	20.2	28.6	27.2	27.4	28.7	28.1	28.9	27.0
# of employees	4,990	4,882	4,604	4,812	4,636	4,444	4,337	4,626	4,629	4,611
Global Drilling Services										
Revenue (US$ millions)	145.2	121.7	122.6	136.6	134.1	107.3	104.5	123.7	122.2	97.3
EBITDA (US$ millions)	27.1	11.8	11.0	23.8	23.8	10.5	8.2	20.0	21.5	1.9
Average # of drill rig[3]	672	677	702	715	718	738	878	878	889	911
Average rig utilisation[3]	49%	44%	43%	46%	45%	38%	32%	35%	34%	28%
# of employees	3,763	3,647	3,320	3,511	3,338	3,146	3,011	3,307	3,349	3,300
Global Products										
Revenue (US$ millions)	61.2	66.1	61.0	62.7	58.4	56.4	52.4	51.3	46.5	44.5
EBITDA (US$ millions)	7.9	7.4	(0.2)	5.8	(0.1)	5.8	2.1	5.2	4.3	1.8
Average backlog (US$ millions)	29.9	32.0	31.3	27.0	23.7	21.7	19.3	12.8	11.3	14.9
# of employees	946	947	976	979	983	974	1,001	988	960	974

Diversified End-Market Exposure

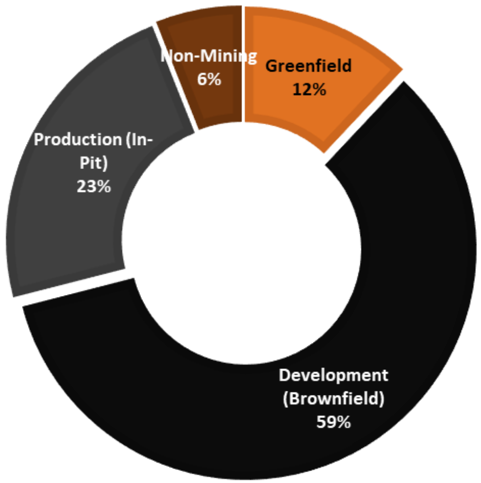
H1 2018 Total Revenue by Type – Products & Services



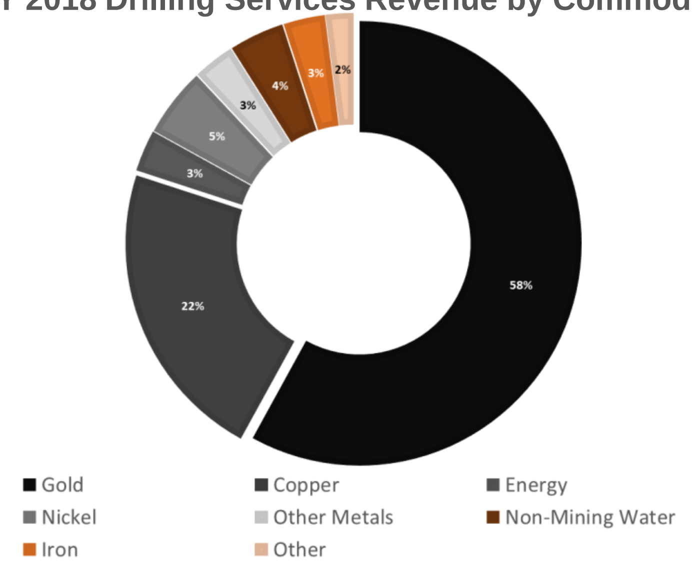
FY 2018 Total Revenue by Region – Products & Services



FY 2018 Drilling Services Revenue by Stage



FY 2018 Drilling Services Revenue by Commodity



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Footnote Disclosures

- ***Footnote 1:*** Per 200,000 work hours.
- ***Footnote 2:*** Loss from Trading Activities, Adjusted Gross Margin, Adjusted Operating Loss, Adjusted SG&A, Adjusted EBITDA and Adjusted NPAT Loss are non-IFRS measures and are used internally by management to assess the underlying performance of the business and have been derived from the Company's financial results by adding back significant items (i.e., charges relating to recapitalisation, impairments, restructuring, and employee and related costs). In the case of Pro Forma Adjusted EBITDA, additional adjustments are made to account for one-time items. In the case of Adjusted NPAT, additional adjustments are made to account for the tax effect of significant items and other tax write-offs and, in the case of Loss from Trading Activities, adjustments are made to Adjusted Operating Loss to remove other expense/income.
- ***Footnote 3*: ** Operating rigs defined as the number of weekly operating rigs generating revenue. Utilisation figures based on operating rigs divided by rigs held in the fleet.
- ***Footnote 4:*** Transactions between segments are carried out at arm's length and are eliminated on consolidation.
- ***Footnote 5*: ** Source: S&P Global Market Intelligence