1H 2017 Results
August 2017
Jeff Olsen – CEO
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All references to dollars are to United States currency unless otherwise stated, and financial results presented are not audited.

Footnotes referred to throughout presentation are described on slide 26
1H 2017 Summary
(Results compared to 1H 2016, except as otherwise indicated)

➢ **Safety**
  - Lost time incident rate (LTIR) at 0.12 – in line w/ low level of FY 2016 – reflects success at mitigating significant risks
  - Moderate increase in total case incident rate (TCIR) – still among the lowest in the industry at 1.89
  - No fatalities

➢ **Adjusted EBITDA**
  - Up $8 million (58%) on revenue increase of $46 million (15%)
  - Adjusted SG&A down $1 million (2%) even with revenue increase

➢ **Cash from Operating Activities**
  - $15 million (20%) improvement vs. 1H 2016

➢ **Productivity**
  - Significant improvements since start of program in 2015 – 9% improvement in meters per shift
  - Productivity initiative is a process of continuous improvement
  - Moving from a “business initiative” to an “operating system” – engrained in the company culture

➢ **Business Environment**
  - Gold up 16% since January 2016 – Gold represented 58% of Drilling Services revenue in 1H 2017
  - Copper up 29% since January 2016 – Copper represented 18% of Drilling Services revenue in 1H 2017
  - Equity raisings by junior miners at strongest levels since 2012

➢ **Recapitalisation**
  - Creditors’ schemes approved by Australian court and expected to be implemented in early September
  - Will reduce debt, improve liquidity and extend debt maturities
Drilling Services Productivity Initiative Update

**Shift Productivity**

- **Meters per Shift**
  - 1H 2015: [Bar Chart]
  - 1H 2017: [Bar Chart] + 9%

**Drill Rate**

- **Meters per Hour**
  - 1H 2015: [Bar Chart]
  - 1H 2017: [Bar Chart] + 4%

- Becoming more granular in the elements we track and report on
- Making driller-level performance data more visible at the site level
- Improving driller development programs – elevating performance of bottom quartile drillers
- Implementing proprietary technologies at drill sites to improve productivity

*Productivity initiative driving measurable improvements with customers*
Productivity & tight cost control driving significant improvement in profitability on higher revenue

Revenue

Adjusted EBITDA

Cash from Operating Activities

Significant margin and cash improvement on higher revenue
# Becoming a data provider, not just a driller

## Today
- Data acquisition done by third parties at our rigs
- Assay done off-site
- Slow, costly and not user-friendly for our customers

## Future
- Core orientation, core logging, survey and assay all done by our crews at the rig
- Direct data feed into customer databases
- Instantaneous, low-cost and user-friendly

## Status
- **TruCore™** (Core Orientation) - Successfully launched in 2015
- **TruShot™** (Down-hole Survey) - Rolling out soon in Australia
- **TruProbe™** (Down-hole Geophysics) - Field testing and working well
- **TruScan™** (On-site Assay) - Field testing and working well
Financial Overview
Brendan Ryan – CFO
### Consolidated Results Summary: 1H 2017

#### Revenue

- **Revenue up 15% driven by higher volume**
- **Uptick in coring activity driven by increased exploration**
- **Bidding activity remains robust**

#### EBITDA

- **Adjusted EBITDA up 58% driven by effective cost control and increased productivity**
- **Adjusted SG&A down 2% despite significant revenue increase**

#### Net Profit After Tax

- **$10M improvement in adjusted NPAT**
- **No dividend to be paid**
Tight cost control and productivity initiatives are driving margin improvement

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2016</th>
<th>Change Fav / (Unfav)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Statutory</strong></td>
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<tr>
<td>(US $M except EPS)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>356</td>
<td>310</td>
<td>15%</td>
</tr>
<tr>
<td>Gross Margin</td>
<td>51</td>
<td>39</td>
<td>31%</td>
</tr>
<tr>
<td>GM as % of Revenue</td>
<td>14%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(39)</td>
<td>(30)</td>
<td>-30%</td>
</tr>
<tr>
<td>OM as % of Revenue</td>
<td>-11%</td>
<td>-10%</td>
<td></td>
</tr>
<tr>
<td>EBITDA</td>
<td>(12)</td>
<td>3</td>
<td>NMF</td>
</tr>
<tr>
<td>EBITDA as % of Revenue</td>
<td>-3%</td>
<td>1%</td>
<td></td>
</tr>
<tr>
<td>NPAT</td>
<td>(85)</td>
<td>(73)</td>
<td>-16%</td>
</tr>
<tr>
<td>NPAT as % of Revenue</td>
<td>-24%</td>
<td>-24%</td>
<td></td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>(9.1)</td>
<td>(7.8)</td>
<td>-17%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2016</th>
<th>Change Fav / (Unfav)</th>
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<tbody>
<tr>
<td><strong>Adjusted</strong></td>
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<td></td>
</tr>
<tr>
<td>(US $M)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td>356</td>
<td>310</td>
<td>15%</td>
</tr>
<tr>
<td>Adjusted Gross Margin</td>
<td>53</td>
<td>40</td>
<td>32%</td>
</tr>
<tr>
<td>Adj. GM as % of Revenue</td>
<td>15%</td>
<td>13%</td>
<td></td>
</tr>
<tr>
<td>Operating Margin</td>
<td>(5)</td>
<td>(19)</td>
<td>73%</td>
</tr>
<tr>
<td>Adj. OM as % of Revenue</td>
<td>-1%</td>
<td>-6%</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>21</td>
<td>13</td>
<td>58%</td>
</tr>
<tr>
<td>Adj. EBITDA as % of Revenue</td>
<td>6%</td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td>Adjusted NPAT</td>
<td>(42)</td>
<td>(52)</td>
<td>20%</td>
</tr>
<tr>
<td>Adj. NPAT as % of Revenue</td>
<td>-12%</td>
<td>-17%</td>
<td></td>
</tr>
</tbody>
</table>
Consolidated Overview: 1H 2017
Significant improvements in volume and productivity

Consolidated Revenue Bridge

(US $M)

Consolidated Adjusted EBITDA² Bridge

1H 2017 Results – See page 26 for footnote descriptions
Working capital build in 1H 2017 consistent with seasonality of business

Improved working capital profile vs. 1H 2016 – ($37M increase in 1H 2016 vs. $28M increase in 1H 2017)

Total cash as of 30 June 2017 was $35 million – expected to increase in the second half of 2017 and then decrease in the first half of 2018 in line with typical seasonality
Business Overview
Jeff Olsen – CEO
Drilling Services: 1H 2017 Operations
Significant improvement in revenue and profitability

### Key Financials (US $M):

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2016</th>
<th>Change Favorable / Unfavorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>241</td>
<td>220</td>
<td>10%</td>
</tr>
<tr>
<td>COGS</td>
<td>209</td>
<td>200</td>
<td>-5%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>15</td>
<td>16</td>
<td>11%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>34</td>
<td>23</td>
<td>47%</td>
</tr>
<tr>
<td><strong>EBITDA as % of Revenue</strong></td>
<td>14%</td>
<td>11%</td>
<td></td>
</tr>
</tbody>
</table>

### Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2016</th>
<th>Change Favorable / Unfavorable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Operating Rigs(^3)</td>
<td>300</td>
<td>279</td>
<td>8%</td>
</tr>
<tr>
<td>Headcount (period-end)</td>
<td>3,338</td>
<td>3,349</td>
<td>0%</td>
</tr>
</tbody>
</table>

- Revenue up 10% driven by volume
- SG&A down by $1M despite revenue increase
- EBITDA up 47% on revenue increase of 10% driven by improved productivity and lower costs
Drilling Services: Revenue by Commodity

Gold and copper drive bulk of revenue

<table>
<thead>
<tr>
<th></th>
<th>FY 2015</th>
<th>FY 2016</th>
<th>1H 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gold</td>
<td>47%</td>
<td>57%</td>
<td>57%</td>
</tr>
<tr>
<td>Copper</td>
<td>21%</td>
<td>17%</td>
<td>18%</td>
</tr>
<tr>
<td>Non-Mining Water</td>
<td>8%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Other Metals</td>
<td>5%</td>
<td>5%</td>
<td>6%</td>
</tr>
<tr>
<td>Nickel</td>
<td>5%</td>
<td>6%</td>
<td>5%</td>
</tr>
<tr>
<td>Iron</td>
<td>5%</td>
<td>7%</td>
<td>7%</td>
</tr>
<tr>
<td>Other</td>
<td>7%</td>
<td>5%</td>
<td>5%</td>
</tr>
</tbody>
</table>

1H 2017 Results – See page 26 for footnote descriptions
Global Products: 1H 2017 Operations
Significant improvement in revenue and order backlog

### Key Financials (US $M):

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>115</td>
<td>91</td>
<td>26%</td>
</tr>
<tr>
<td>COGS</td>
<td>94</td>
<td>70</td>
<td>-33%</td>
</tr>
<tr>
<td>SG&amp;A</td>
<td>19</td>
<td>18</td>
<td>-2%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>6</td>
<td>6</td>
<td>-7%</td>
</tr>
<tr>
<td>EBITDA as % of Revenue</td>
<td>5%</td>
<td>7%</td>
<td></td>
</tr>
</tbody>
</table>

### Key Performance Indicators

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Backlog (US $M)</td>
<td>23</td>
<td>13</td>
<td>73%</td>
</tr>
<tr>
<td>Headcount (period-end)</td>
<td>983</td>
<td>960</td>
<td>-2%</td>
</tr>
</tbody>
</table>

### Pro Forma Revenue (US $M)

<table>
<thead>
<tr>
<th></th>
<th>1H 2017</th>
<th>1H 2016</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales to BLY Drilling Services</td>
<td>27</td>
<td>30</td>
<td>-11%</td>
</tr>
<tr>
<td>Pro Forma Revenue</td>
<td>142</td>
<td>121</td>
<td>17%</td>
</tr>
</tbody>
</table>

- Revenue up 26% driven by volume
- Order backlog up significantly – positive leading indicator
- EBITDA flat due to one-time, non-recurring items (up 56% net of these items)
Recapitalisation Nearing Completion

Recapitalisation Summary

- Implementation expected in early September
  - The court in Australia has approved the creditors’ schemes of arrangement
  - Share purchase plan and other recapitalisation components expected to complete in September
- Recapitalisation achieves the following objectives:
  - **Reduce Debt**
    - $196M (in principal) of existing 7% unsecured notes will be converted to equity (and warrants issued)
    - Remaining $88M (in principal) of unsecured notes will be reinstated with interest rate of 1.5% payable-in-kind
  - **Improve Liquidity**
    - New $75M PNC Asset Backed Loan and Backstop Term Loan Facility provide BLY w/ $35M of additional debt capacity
    - Until December 2018, interest on all debt facilities (excluding ABL) may be paid-in-kind rather than in cash. Thereafter, interest on the 10% secured notes will be paid in cash.
    - Paid-in-kind interest on Term Loans A and B will be reduced from 12% to 10% through 2018 and to 8% thereafter
  - **Extend Debt Maturities**
    - Maturities on existing debt (Term Loans, 10% notes & 7% notes) will be extended to Dec 2022
- Key features for shareholders include:
  - Share purchase plan offers eligible shareholders the opportunity to subscribe for up to A$5,000 worth of shares at a price of A$0.02 per share (up to max of A$9M)
  - Eligible shareholders (primarily in Australia and New Zealand) will be issued ordinary warrants
Conclusion
Positive signs in recent commodity trends as well as mining equities & junior equity raisings

**Recent Commodity Trends** (since Jan-16)

- **Gold ($/oz.)**
  - January 2016: $1,000
  - June 2017: $1,200
  - Increase: +16%

- **Copper ($/MT)**
  - January 2016: $4,000
  - June 2017: $5,000
  - Increase: +29%

- **Iron Ore ($/MT)**
  - January 2016: $20
  - June 2017: $60
  - Increase: +40%

**Equity Raisings by Juniors**

- **Canada**
- **Australia**
- **United States**
- **China**
- **Other**

**MSCI World Metals & Mining Index**

- January 2016: 100
- June 2017: 150
- Increase: +58%

1H 2017 Results – See page 26 for footnote descriptions
We remain committed to our Strategic Priorities

➢ **Safety**
  - Continue to be an industry leader
  - Reduce TCIR and LTIR

➢ **Operations**
  - Continue to improve on the productivity gains we have made in the last year

➢ **Technology**
  - Focused on acquiring data from our drill holes and delivering to customers in a faster, lower-cost and user-friendly format

➢ **Cash / Debt**
  - Be cash positive in 2017 (before professional fees and severance costs) through better operating performance and an improving market
  - Improve capital structure in a way that balances the interests of all stakeholders – achieved via the completion of the recapitalisation
Questions?
Safety & Environment

Our goal is to add value with zero harm – leading our industry with our employees returning home safely each day and performing our work with minimal impact to our neighbors or the environment.

Total Case Incident Rate

- Improvement in lost time incident rate
- Moderate increase in total case incident rate
- No fatalities

Lost Time Incident Rate

- Proactive Safety Culture
  - Focused field leadership interactions with field employees and other initiatives covering significant areas of risk

- Continual Improvement
  - Focus on significant incident root cause analysis and corrective actions, supported by operations-centric incident reviews

Improvement in lost time safety performance in 1H 2017 and no fatalities
# Key Performance Indicators by Quarter

## Revenue (US$ millions)
- **Total Company**: Q4: 192.5, Q3: 163.7, Q2: 156.9, Q1: 175.0, Q4: 168.7, Q3: 155.5, Q2: 124.8, Q1: 24.8
- **Global Drilling Services**: Q4: 134.1, Q3: 107.3, Q2: 104.5, Q1: 123.7
- **Global Products**: Q4: 58.4, Q3: 56.4, Q2: 52.4, Q1: 51.3

## EBITDA (US$ millions)
- **Total Company**: Q4: 15.3, Q3: 13.8, Q2: 15.5, Q1: 12.4
- **Global Drilling Services**: Q4: 8.2, Q3: 20.0, Q2: 21.5, Q1: 1.9
- **Global Products**: Q4: 2.1, Q3: 5.2, Q2: 4.3, Q1: 1.8

## Operating Loss
- **Total Company**: Q4: (16.9), Q3: (21.8), Q2: (25.5), Q1: (33.2)
- **Global Drilling Services**: Q4: 7.4, Q3: (7.7), Q2: 7.8, Q1: (23.2)
- **Global Products**: Q4: 7.4, Q3: (7.7), Q2: 7.8, Q1: (23.2)

## Net cash flow (used in) provided by operating activities
- **Total Company**: Q4: (18.3), Q3: (39.4), Q2: (22.5), Q1: (50.0)
- **Global Drilling Services**: Q4: 4.337, Q3: 4.626, Q2: 4.629, Q1: 4.611
- **Global Products**: Q4: 1,001, Q3: 988, Q2: 960, Q1: 974

## Net Debt (US$ millions)
- **Total Company**: Q4: 753.2, Q3: 718.4, Q2: 675.8, Q1: 674.3
- **Global Drilling Services**: Q4: 27.2, Q3: 27.4, Q2: 28.7, Q1: 28.1
- **Global Products**: Q4: 33.8, Q3: 31.46, Q2: 30.11, Q1: 3.011

## Global Drilling Services
- Revenue (US$ millions): Q4: 13.1, Q3: 10.5, Q2: 8.2, Q1: 20.0
- Average # of drill rigs: Q4: 7.18, Q3: 7.39, Q2: 87.8, Q1: 88.9
- Average rig utilisation: Q4: 45%, Q3: 37%, Q2: 32%, Q1: 35%
- # of employees: Q4: 4,636, Q3: 4,444, Q2: 4,337, Q1: 4,626

## Global Products
- Revenue (US$ millions): Q4: 58.4, Q3: 56.4, Q2: 52.4, Q1: 51.3
- EBITDA (US$ millions): Q4: 2.1, Q3: 5.2, Q2: 4.3, Q1: 1.8
- Average backlog (US$ millions): Q4: 23.7, Q3: 21.7, Q2: 19.3, Q1: 12.8
- # of employees: Q4: 983, Q3: 974, Q2: 1,001, Q1: 988

### Notes
- **Total Company**: See page 26 for footnote descriptions.
Diversified End-Market Exposure

1H 2017 Total Revenue by Type – Products & Services

- Production Drilling: 5%
- Surface Coring: 25%
- Underground Coring: 16%
- Drilling Equipment: 8%
- Performance Tooling: 25%
- Other: 2%

1H 2017 Total Revenue by Region – Products & Services

- USA: 27%
- Canada: 19%
- EMEA: 19%
- APAC: 21%
- LAM: 14%

1H 2017 Drilling Services Revenue by Stage

- Non-Mining: 6%
- Greenfield: 15%
- Production (In-Pit): 22%
- Development (Near Mine/Brownfield): 57%

1H 2017 Drilling Services Revenue by Commodity

- Gold: 57%
- Copper: 18%
- Energy: 5%
- Nickel: 6%
- Other Metals: 7%
- Iron: 4%
- Other: 2%
- Water: 1%
- Non-Mining: 1%

1H 2017 Results – See page 26 for footnote descriptions
Debt Maturity Schedule

(US $M)

1H 2017 Results – See page 26 for footnote descriptions

Debt maturities pushed out as part of recap to allow for market recovery

Before Recapitalisation

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
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</thead>
<tbody>
<tr>
<td>195</td>
<td></td>
<td>60</td>
<td>474</td>
<td></td>
</tr>
<tr>
<td>10% Unsecured Notes</td>
<td></td>
<td>ABL / DDTL</td>
<td>Term Loan A</td>
<td>7% Unsecured Notes</td>
</tr>
</tbody>
</table>

After Recapitalisation

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>FY 2019</th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
</tr>
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<tbody>
<tr>
<td>95</td>
<td></td>
<td>478</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10% Unsecured Notes</td>
<td></td>
<td>ABL / Backstop ABL</td>
<td>Term Loan A</td>
<td>7% Unsecured Notes</td>
</tr>
</tbody>
</table>
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: Bloomberg.