

12 December 2014

Boart Longyear Announces an Update to its 2014 Full-Year Outlook

Boart Longyear Limited (**ASX: BLY**) (**Boart Longyear** or the **Company**), a leading global supplier of drilling services, drilling equipment and performance tooling, today announces an update to its full-year outlook for 2014. Revenues for full-year 2014 are expected to be at the stronger end of the range of analyst estimates. Market dynamics for drilling services, however, are resulting in performance at the weaker end of the range of analyst estimates, as reflected by Bloomberg as at 11 December 2014, for EBITDA and net debt.

With a mean analyst revenue estimate of US\$837 million (range of US\$819 million to US\$852 million), the Company expects to be at the high end of the range of revenue estimates for full-year 2014. Due to continued erosion in pricing and higher than anticipated rig maintenance and mobilization/demobilization costs within its Drilling Services division, the Company expects to be below the range of analyst normalised¹ EBITDA estimates (range of US\$34 million to US\$48 million), with its estimate at closer to US\$30 million. The unfavourable impact of currency movements, primarily related to working capital monetary balances denominated in non-US currencies including the Russian ruble, has also contributed to the reduced EBITDA expectation.

Analyst net debt estimates at year-end show a mean of US\$515 million (range of US\$424 million to US\$561 million). The Company expects net debt to be at the high end of the range of analyst estimates, which, assuming shareholder approval of the recapitalisation transactions, includes US\$21 million of cash received prior to year-end from the second placement of shares to Centerbridge but excludes the impact of the rights offer and proposed equitisation of US\$16 million of unsecured notes held by Centerbridge, both of which would occur in January 2015.

Commenting on business conditions, Richard O'Brien, President and Chief Executive Officer of Boart Longyear, stated, "As indicated in our most recent market updates, we continue to experience the effects of lower pricing, primarily within our Drilling Services division. Further, even though utilisation rates appear to have stabilised, we are experiencing higher than anticipated rig maintenance costs and mobilization/demobilization costs. We will continue to review these and other costs and to evaluate our contracting practices to improve our performance and profitability in the coming year."

Mr O'Brien also commented on the upcoming EGM, stating, "We look forward to shareholders considering and voting on the remaining transactions that form part of the comprehensive recapitalisation agreement between the Company and Centerbridge."

As previously communicated, the EGM will be held at 10:00am on 17 December 2014 and will take place at Clarendon Room A, Melbourne Exhibition Centre, 2 Clarendon Street, South Wharf, Melbourne. The Notice of Meeting and accompanying Explanatory Statement and Independent Expert's Report were previously despatched to shareholders and can also be found on the Company's website at <http://ir.boartlongyear.com>. Key expected dates related to the recapitalisation are included below:

¹ Analyst normalised EBITDA is consistent with the Company's Adjusted EBITDA

Event	Date
EGM to consider the Resolutions	17 December 2014
Follow-on Placement	18 December 2014
Launch Rights Issue	
Rights commence trading	22 December 2014
Record date for Rights Issue and Share Buy Back Offer	24 December 2014
Open date for Rights Issue and Share Buy Back Offer	30 December 2014
Rights trading ends	12 January 2015
Closing date for Rights Issue and Share Buy Back Offer	19 January 2015
Settle Rights Issue	
Shares cancelled pursuant to Share Buy Back Offer	
Shares or Convertible Preference Shares issued under the Buy Back Subscription Agreement	27 January 2015
Shares or Convertible Preference Shares issued under the Equitisation Subscription Agreement	

The Rights Issue Booklet and Share Buy Back Offer Booklet are expected to be despatched to eligible shareholders on 30 December 2014. These are important documents which require attention. In particular, if an eligible shareholder wishes to participate in the rights issue by either taking up rights or selling them on ASX or otherwise or if an eligible shareholder wishes to accept the share buy-back offer, action is required. The action required is explained in the Rights Issue Booklet and Share Buy Back Booklet. If an eligible shareholder does nothing, their rights will lapse and no value will be received. Eligible shareholders should make arrangements to ensure that they are in a position to take any action which is required if they want to participate in the rights issue by either taking up their rights or selling them on ASX or otherwise or if they wish to accept the share buy back offer.

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.



Boart Longyear Limited
ABN 49 123 052 728

26 Butler Boulevard, Burbridge Business Park
Adelaide Airport
South Australia 5950, Australia
Tel: +61 8 8375 8375 • Fax: +61 8 8375 8498
www.boartlongyear.com

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>.

Investor Relations:

Jay Clement

Vice President, Investor Relations/Treasury
Australia +61 (0) 8 8375 8300
USA +1 801 401 3712
ir@boartlongyear.com

Media:

David Symons

Cato Counsel
Sydney: +61 (0) 2 8306 4244
Mobile: +61 (0) 410 559 184
david@catocounsel.com.au