LS600 - Poland

Rights Issue and Share Buy Back: 18 December 2014

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BOART LONGYEAR™

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- The offer manager, together with its affiliates, is a full service financial institution engaged in various activities, including trading, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The offer manager, in conjunction with its affiliates, is acting as a financial advisor to Boart Longyear in connection with Boart Longyear's announced strategic review, including announced recapitalisation. An affiliate of the offer manager acted as arranger to the associated tender offer. The offer manager is acting as offer manager to the entitlement offer. The offer manager and/ or its affiliates may receive fees and/ or customary expenses for acting in these capacities. An affiliate of the offer manager has received proceeds from the recapitalisation in repayment of an existing loan with Boart Longyear and/ or its affiliates.

Overview

- On 23 October 2014, Boart Longyear announced it had entered into agreement with Centerbridge in relation to a comprehensive recapitalisation transaction (**Recapitalisation**)
- Prior to the Extraordinary General Meeting (**EGM**) on 17 December 2014, the following components of the Recapitalisation were completed
  - Repayment of the former revolver and draw down of Term Loan A of US$120 million provided by Centerbridge
  - Successful tender and repurchase of US$105 million aggregate principal amount of the Existing Secured Notes funded primarily by a draw down of Term Loan B of US$105 million provided by Centerbridge
  - Initial Placement of US$5.6 million to Centerbridge taking its holding to 19.9%
- The EGM was held on 17 December 2014 and shareholders approved the resolutions required to implement the remaining components of the Recapitalisation. Subsequently, the following have been completed
  - Follow-on conditional placement to Centerbridge of US$21 million taking its holding to 36.9%
  - Payment by Centerbridge of a US$0.6 million premium related to the Initial Placement
- The remaining components of the Recapitalisation yet to be completed include:
  - Rights Issue of A$103.4 million[1] (fully underwritten by Centerbridge)
  - Off-market buy-back of ordinary shares capped at A$24.5 million[2]
  - Exchange of Centerbridge's US$16 million holding of Existing Unsecured Notes for equity

1. Australian dollar equivalent of US$84 million as at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD
2. Australian dollar equivalent of US$20 million as at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD

Details of the Rights Issue

Size and structure	• 0.9798 for 1 pro rata traditional renounceable rights issue to raise approximately A$103.4 million (US$84 million[1]) – Fully underwritten by Centerbridge • Approximately 624.6 million new Shares to be issued (“New Shares”) if 100% take up of rights
Offer price	• A$0.1656 per New Share – Australian dollar equivalent of US$0.1350[1] – 1.7% premium to the theoretical ex-rights price of A$0.1628 – 3.5% premium to Boart Longyear’s closing price on 17 December 2014 – 3.8% discount to Boart Longyear’s 5 day VWAP as of 17 December 2014 – 9.7% discount to Boart Longyear’s 1 month VWAP as of 17 December 2014
Underwriting	• Offer is fully underwritten by Centerbridge
Rights trading	• Rights will be tradable on the ASX • Rights trading will commence on 22 December 2014 and will cease at 4:00pm on 12 January 2015[2]
Renounced right	• Existing Shareholders who do not take up or sell their rights on the ASX or otherwise will not realise value for their rights
Ranking	• New Shares issued under the Rights Issue will rank pari passu with existing ordinary shares

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1. Australian dollar equivalent as at 17 December 2014. at an FX rate of 1 AUD = 0.8151 USD. USD raising amount assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015
2. Refer to slide 30 for information on restrictions on the eligibility criteria to exercise Rights

Benefits of the New Equity Capital

Highlights

- Fully committed equity injection of A$103.4 million (US$84 million[1])
- Proceeds expected to provide Boart Longyear with additional cash proceeds to reduce net debt and provide greater liquidity
- Company is expected to be better positioned to sustain operations through to market recovery
- Eligible shareholders may choose to participate by investing alongside Centerbridge
- Existing shareholders can realise value through rights trading if they choose not to participate

1. Australian dollar equivalent as at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD. USD raising amount assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015

Details of the Share Buy Back Offer

Size and structure	• Share Buy Back Offer is subject to a cap of A$24.5 million (Buyback Limit) – The Australian dollar equivalent of US$20 million[1] as at 17 December 2014 – The Buyback Limit will be reduced if the Share Buy Back Offer would result in Centerbridge owning more than 49.9% of the voting power of the Company's voting stock • The Share Buy Back Offer will be scaled back on a pro-rata basis if acceptances are received in excess of the Buyback Limit • Centerbridge will not accept the Share Buy Back Offer in respect of any Shares held by it on the record date for the Share Buy Back Offer
Buy Back Offer price	• A$0.1656 per Existing Share – Australian dollar equivalent of US$0.1350[1] determined on 17 December 2014
Source of funds	• The Company will fund the Share Buy Back Offer through the issue of Shares to Centerbridge at A$0.1656 per share • Centerbridge will be issued Convertible Preference Shares instead of Shares to the extent any issue of Shares to Centerbridge would result in Centerbridge owning more than 49.9% of the voting power of the Company's voting stock

1. FX rate of 1 AUD = 0.8151 USD as at 17 December 2014.

Indicative Timetable – Rights Issue and Share Buy Back

Event – Rights Issue timetable	Date
Launch Rights Issue	18 December 2014
Rights commence trading	22 December 2014
Record date for Rights Issue	24 December 2014
Open date for Rights Issue	30 December 2014
Rights trading ends	12 January 2015
Closing date for Rights Issue	5:00pm (AEDT) on 19 January 2015
Settle Rights Issue	27 January 2015

Event – Share Buy Back Offer timetable	Date
Record date for Share Buy Back Offer	24 December 2014
Open date for Share Buy Back Offer	30 December 2014
Closing date for Share Buy Back Offer	5:30pm (AEDT) on 19 January 2015
Shares cancelled pursuant to Share Buy Back Offer Shares or Convertible Preference Shares issued under the Buy Back Subscription Agreement	27 January 2015

The above timetable is indicative only and subject to change. Boart Longyear reserves the right to amend any or all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Boart Longyear reserves the right to extend the closing date of the Rights Issue and Share Buy Back Offer, to accept late applications for the Rights Issue and the Share Buy Back Offer either generally or in particular cases or to withdraw the offers without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX. All references to time are a reference to Australian Eastern Daylight Time (AEDT).

Sources & Uses | Pro Forma Capitalisation

Recapitalisation decreases net debt by ~US$90m and increases pro-forma cash liquidity to ~US$210m[4]

Sources[1]	US$m	Uses[1]	US$m
New Term Loan-Tranche A	120	Bank Revolver	38
New Term Loan-Tranche B	105	Sr. Secured Notes Tender Offer-par	105
Initial Equity Placement	6	Sr. Secured Notes Tender Offer-premium & accrued and unpaid interest	9
Follow-On Equity Placement	21	Sr. Unsecured Note Equitisation	16
Rights Issue	84	Estimated Transaction Fees	35
Sr. Unsecured Notes Equitisation	16	Cash to Balance Sheet (post fees)[2]	149
Total Sources	**352**	**Total Uses**	**352**

Pro-Forma Capitalisation	30 June	Transaction announcement		Tender	Post	Conditional	Rights	Sr. Unsec. Notes	Estimated	Pro-Forma	Maturity	Interest
US$m	2014	Debt	Equity	Offer	Refinance	Placement	Issue	Recapitalisation	Transaction Fees	Post Recap.		rate
Bank Revolver	38	(38)	-	-	-	-	-	-	-	-	Jul 2016	L + 475bps
Sr. Secured Notes	300	-	-	(105)	195	-	-	-	-	195	Oct 2018	10.0%
Sr. Unsecured Notes	300	-	-	-	300	-	-	(16)	-	284	Apr 2021	7.0%
New Term Loan - Tranche A	-	120	-	-	120	-	-	-	-	120	Oct 2020	12.0% A.I.[3]
New Term Loan - Tranche B	-	-	-	105	105	-	-	-	-	105	Oct 2018	12.0% A.I.[3]
Total Debt	**638**	**82**	**-**	**-**	**720**	**-**	**-**	**(16)**	**-**	**704**		
Initial Equity Placement	-	-	6	-	6	1	-	-	-	6		
Follow on Equity Placement	-	-	-	-	-	21	-	-	-	21		
Rights Issue	-	-	-	-	-	-	84	-	-	84		
Sr. Unsecured Notes Equitisation	-	-	-	-	-	-	-	16	-	16		
Total New Issued Capital and Convertible Preference Shares	**-**	**-**	**6**	**-**	**6**	**22**	**84**	**16**	**-**	**127**		
Sr. Secured Notes Tender Premium & accrued and unpaid interest	-	-	-	(9)	(9)	-	-	-	-	(9)		
Estimated Transaction Fees	-	-	-	-	-	-	-	-	(35)	(35)		
Total Cash	**68**	**82**	**6**	**(9)**	**147**	**22**	**84**	**-**	**(35)**	**217[2]**		
Net Debt	**570**	**-**	**(6)**	**9**	**573**	**(22)**	**(84)**	**(16)**	**35**	**487**		

Note: Company may replace up to US$50m of Tranche A with an ABL facility

1. Sources and uses assumes transaction is executed at rights issue price of US$0.1350/share (i.e. assuming no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015) and that existing revolver balance is unchanged from 30 June 2014 balance.
2. Includes $US10.2m of restricted cash for letters of credit support.
3. Stands for Accretive Interest.
4. Assuming US$68m of cash on balance sheet as at 30 June 2014 and that cash to balance sheet from the transaction is US$149m. Excludes US$10.2m of restricted cash for letters of credit support.

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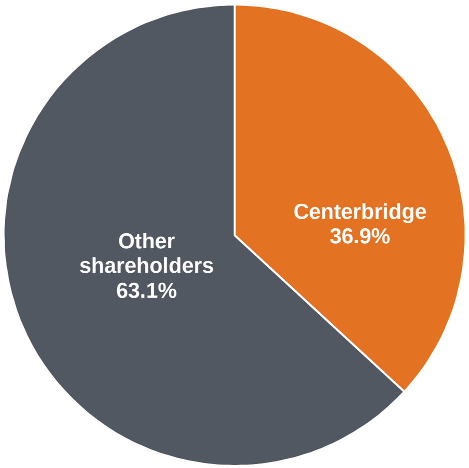
Pro Forma Shareholding

Shareholder Impact assuming 100% and 0% take-up of rights

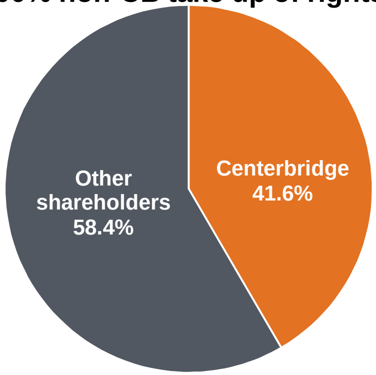
Shareholding (pre rights issue)



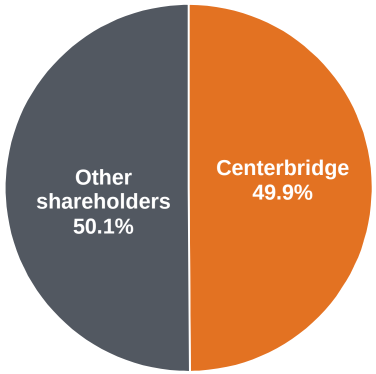
New Equity

- A$103.4m (US$84m) pro-rata renounceable rights issue[3]
- US$16m equitisation to Centerbridge

Shareholding (post transaction) – 100% non-CB take up of rights[1]



Shareholding (post transaction) 0% take up of rights[2]



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1. Shareholdings post transaction assume 100% take-up of rights and that there are no shares bought back in the Share Buy Back Offer.
2. Shareholdings post transaction assume 0% take up of rights and the full A$24.5m is bought back under the Share Buy Back Offer. Centerbridge will also be issued with Convertible Preference Shares with a value of US$117.8 million.
3. Assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015.

Risk Factors

There are a number of factors, both specific to Boart Longyear, and of a general nature, which may affect the future results of operation, financial performance and business of Boart Longyear, its investment returns, the value of its Shares and its funding requirements. Many of the circumstances giving rise to these risks are beyond the control of Boart Longyear. This section describes certain specific areas that are believed to be the key risks associated with an investment in Boart Longyear. Each of the risks described below could, if they eventuate, have a material adverse effect on Boart Longyear's business, results of operation and financial performance.

You should note that the risks in this section are not exhaustive of the risks faced by a potential investor in Boart Longyear. Additional risks that Boart Longyear is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Boart Longyear's business, results of operation and financial performance. You should consider carefully the risks described in this section, as well as other information in this presentation, and consult your financial or other professional adviser before making an investment decision.

Risks specific to Boart Longyear and the drilling industry

Industry cyclicality and volatility

- Boart Longyear's operational and financial performance is highly correlated with the market conditions for mineral exploration, development and production and the related level of spending by mining companies, in particular, spending related to exploration, project definition and other development activities. The Company's prospects, particularly in the short and medium-term, could be affected by many factors, including:
  - the level and volatility of commodity prices, especially gold, copper and iron ore
  - anticipated pricing and demand for commodities
  - projected commodity supply and mine production capacity
  - costs associated with the development, extraction and production of commodities
  - the availability of financing for mining companies, especially junior miners
  - the impact of government regulations and political attitudes towards the ongoing development and operation of mining projects

Risk Factors (cont.)

Liquidity risks and other financial risks arising from industry uncertainty

- The Company is not able to predict the timing, extent and duration of the economic cycles in the global markets in which it operates. If the current downturn in the Company's markets continues for an extended period, if market conditions continue to deteriorate or if there are further extended downturns in the drilling services and products industry in the future, there may be further negative impacts on Board Longyear's revenues, profits and financial position. In particular, the Company may lack sufficient liquidity to fund its operations in the ordinary course or may be unable to repay its debt or other financial obligations when they come due. In addition, if mineral exploration activity should recover sharply, the Company may lack sufficient working capital to fund all necessary rig maintenance and refurbishment activity, inventory build-ups, hiring and training initiatives and other costs associated with re-starting drilling and manufacturing operations and it may lose market share as a result of such capital constraints.
- The Company's variable cost structure is a key advantage that allows it to operate its business with significant flexibility. Boart Longyear is committed to continuously review its cost structure and identify opportunities to optimise operating efficiencies. The Company has, however, reduced its overall cost structure by nearly US$900 million since the onset of the current mining industry downturn in mid-2012. Further cost reductions, therefore, should they become necessary, may require the Company to exit certain key markets or pursue other cost reductions that may adversely impact market share or the Company's ability to pursue higher-growth business in a recovering market environment. In addition, it is uncertain whether the Company will be able to maintain all such cost reductions.

Business interruptions from sovereign or geo-political risks

- Geo-political risks and sovereign risks, especially in developing countries, may lead to disruptions in mining activities regionally or globally. The extent of the Company's international operations and the locations in which its operations are located subject the Company to business risks arising from factors such as war or civil disturbance, political, social and economic instability, corruption, nationalisation, expropriation without fair compensation or cancellation of contract rights, significant changes in government policies, breakdown of the rule of law and regulations and new tariffs, taxes and other trade barriers. If these or other such adverse events occur, Boart Longyear's foreign operations or repatriation of earnings could be impaired or assets or employees adversely affected.

Business interruptions from natural disasters, pandemics or other natural causes

- Significant business interruptions also could result from natural disasters, adverse weather conditions, outbreaks of disease (such as Ebola) or pandemics or other acts of God.

Risk Factors (cont.)

Adverse impacts of competitive pressures

- Current depressed conditions in the Company's markets have led to a global oversupply of rigs and manufacturing capacity for drilling services and products. Competition among providers in those markets has led to significant price erosion, especially for drilling services, and a resulting decline in revenues and profitability. The persistence of these pressures could further impact the Company's financial performance.
- At times of decreased demand for drilling services, smaller competitors may be able to better compete on price due to their lower overhead costs or willingness to operate at lower margins than Boart Longyear or other larger, publicly listed competitors. In addition to declining revenues and profitability due to price erosion, such competition could lead to a loss of market share or other adverse effects.
- The threat of increased competition, especially in the drilling services market, may adversely affect Boart Longyear's current market share and plans for future growth. The fragmented nature of Boart Longyear's markets provides opportunities for competitors to consolidate, which may reduce the scale advantage that Boart Longyear currently enjoys. Additionally, the capital cost to acquire drilling rigs is relatively low, enabling existing competitors to expand and new competitors to enter the market and exposing the Company to the risk of reduced market share and scope for geographic growth as well as lower price and margins from its existing business.

Customer contracts

- The majority of Boart Longyear's customer contracts, particularly in its Drilling Services business, are short term in nature and subject to cancellation by the customer upon short notice and with limited or no obligations to the Company. Accordingly, contracts may not be renewed, may be renewed on less favourable terms or may be cancelled, potentially impacting the Company's financial performance and condition. Similarly, there is no certainty that the backlog of orders for the Products business will, in fact, result in actual sales at the times or in the amounts ordered because customers may cancel their orders, in some cases without penalty. For many of the Company's customers, Boart Longyear's services and products are variable costs that they can seek to reduce in a downturn, especially with respect to exploration activities. These factors limit the Company's visibility with respect to future cash flow and also may mean the Company will not be able to sufficiently forecast, and therefore adapt to, changing market conditions. For example, Company forecasts may result in underinvestment or overinvestment in capital expenditures or inventory, which may damage the Company's long term growth prospects or leave it with excess inventory and rig capacity.

Safety and Technical Performance

- Safety performance is a crucial consideration for mining industry companies in selecting drilling services and products providers. Unsatisfactory safety performance or the failure to maintain high safety standards in the services and products the Company delivers could result in the cancellation of contracts, the Company's disqualification from bidding for work for certain customers or the Company's loss of a current competitive advantage over many of its competitors.
- The Company may also lose business to its competitors, or be required to compete more aggressively on price (to the detriment of its profitability), if it cannot continue to demonstrate technical competence, competitive pricing and reliable performance to its customers. The Company faces significant competition in both its Products and Drilling Services businesses and a large part of its business is dependent upon obtaining work through competitive bidding processes. Failure to make continued advances in drilling technology or products could result in the commoditisation of the Company's products or services or its competitors being able to match or exceed its capabilities, reducing market share and/or negatively impacting the Company's financial results.

Risk Factors (cont.)

Substitution of Boart Longyear’s products

- Continued product improvement by competitors may result in the Boart Longyear’s customers using substitutes in place of some of the Company’s products. Boart Longyear may not always be able to match its competitors in both functionality and price. General technological development in the industry may render some of Boart Longyear’s products obsolete or subject to significant pricing pressure as customers move to the use of substitute products and technologies.
- Developing innovative solutions and technologies can be time consuming, costly and complex. Successful design, development and introduction of innovative solutions and technologies on a timely basis requires that the Company understand customers’ needs and the potential technological solutions for such needs, identify emerging technological trends in the Company's industry and respond effectively to technological changes by the Company's competitors. The Company may make substantial investments in developing innovative solutions and technologies that are not well accepted by the market.

Inability to protect intellectual property and other proprietary information.

- Patents, trademarks and other intellectual property rights are important to the success and operation of the Company's business. The Company relies upon a combination of patent, trademark, copyright and trade secret laws and contractual terms and conditions, including confidentiality obligations and agreements with its employees, customers, collaborators and suppliers, to protect its intellectual property rights and other proprietary information. There is no assurance that Boart Longyear will be able to fully protect the Company's intellectual property rights and proprietary business information. Policing the unauthorised use of the Company's intellectual property is difficult and expensive, and the Company may not be successful in identifying or in bringing actions seeking to prevent such unauthorised use, particularly in countries where the laws or legal systems may not protect the Company's intellectual property rights as fully as the United States and Australia. The loss of intellectual property rights could have a material adverse effect on the Company's business, financial condition and results of operations.

Consolidation of customers and suppliers

- Consolidation in the industries of Boart Longyear’s customers or suppliers may reduce Boart Longyear’s bargaining power with those customers or suppliers and lead to transactions at less advantageous terms with those customers or suppliers. If consolidations do occur, exploration and development related spending may be impacted, negatively, as companies seek to generate cost efficiencies for the combined entities.

Risk Factors (cont.)

Existing and potential assessments by Canadian tax authorities

- The Canada Revenue Agency ("CRA") has been reviewing the Company's Canadian income tax returns for the years 2007 through 2012. The review has been conducted for two time periods, 2007 through 2009 and 2010 through 2012. The most significant contested areas of the CRA's reviews relate to three issues: (1) the transfer pricing structure and methodology used by Longyear Canada, ULC and Boart Longyear Canada for sales of products to international affiliates; (2) management fees paid to a United States affiliate; and (3) intellectual property royalties paid to a United States affiliate. The Company has received federal and provincial tax assessment for 2007 through 2009 totaling C$45 million. No assessments have been made yet for the 2010 through 2012 tax years, which period remains under audit. The Company is contesting the Canadian tax assessments and positions through all available processes, but the outcome of such challenges is uncertain despite the Company's confidence in its position and its success in challenging nearly identical assessments for prior periods. Further, while the Company believes it is appropriately reserved for the Canadian assessments, the unfavourable resolution of the Canadian tax disputes could be material to the Company's financial condition, liquidity or results of operations.
- Requirements to post security in connection with the dispute of Canadian tax assessments may adversely affect the Company's liquidity. As required by law in Canada, the Company must provide security to contest tax assessments and, therefore, the Company may be required to provide approximately C$26 million of security (which has not yet been required) to maintain its challenge of the assessments for 2007 through 2009. Additional security may be required for any assessments that may be received for 2010 through 2012 and subsequent tax periods. The requirement to post such additional security or to provide collateral could adversely affect the Company's liquidity.

Potential tax audits and assessments resulting from the Company's centralised entrepreneurial operating structure

- In 2009, the Company established Boart Longyear Suisse Sàrl under Swiss law and as a resident of Switzerland for Swiss tax purposes to act as the principal drilling services and products company of the Boart Longyear group. Since its formation, the Swiss company was established to organise, standardise and simplify the contractual relationships between the Company's foreign subsidiaries and to centralise the risks of performing drilling services globally and manufacturing products and holding inventory for the Company's Products division, which the Company refers to as its centralised entrepreneurial structure. Consistent with its risk-bearing obligations, the Swiss central entrepreneur guarantees each Company affiliate a certain level of profitability and remits payments to the affiliate if the profitability level is not achieved. It also is entitled to profits generated by foreign affiliates in excess of the guaranteed minimum profitability levels. All aspects of the centralised entrepreneurial structure have been reviewed by the Company's advisors from a legal, tax and operational perspective. Notwithstanding such advice, it is likely taxing authorities in many of the jurisdictions where the Company operates will evaluate the structure, and the Company may receive assessments in some jurisdictions. For example, the Company is currently under audit in the United States for the 2010 and 2011 tax years, although the audit is not complete and no assessments have been issued. Any assessments related to the centralised entrepreneurial structure in the United States or other jurisdictions may adversely affect the Company's liquidity or financial results.

Risk Factors (cont.)

Potential adverse tax rate impacts and additional costs resulting from the Company's centralised entrepreneurial operating structure

- The industry in which the Company operates is cyclical, and the Swiss centralised entrepreneurial structure will result in payments from the Swiss entity to many of the Company's foreign affiliates in years when markets are contracting. As a result, the Company may be required to report income and pay taxes in such countries in excess of the income or losses that its foreign affiliates would have reported absent the operation of the centralised entrepreneurial structure. Accordingly, the consolidated effective tax rate for the Company will fluctuate as a result of the centralised entrepreneurial structure according to the condition of the industry and, during years in which the Company's markets are contracting, a higher corporate effective tax rate may be expected.
- Under the terms of the establishment of the central entrepreneurial structure, the Company has agreed to a certain level of employment in Switzerland, which may lead to increasing overhead costs even as earnings attributable to the structure decline. There may be one-time costs, payable to the Swiss government and to other jurisdictions, should the Company determine that it should exit the central entrepreneurial structure.

Risks arising from the tax regimes of the many different countries in which the Company operates

- The Company provides services and sells products in a number of countries around the world, including in countries that have tax regimes in which the rules are not clear, are not consistently applied and are subject to sudden change. This is especially true with regard to international transfer pricing. The Company's earnings could be reduced by the uncertain and changing nature of these risks in foreign locations. In addition, given the large number of jurisdictions in which the Company operates, the tax positions the Company has taken or tax attributes of its contracts could be challenged.

Risks arising from the Company's indebtedness

- After giving effect to this rights offering and the completion of the equitisation of US$16 million of Centerbridge's 7% Senior Unsecured Notes, the Company will remain heavily leveraged, including having (i) US$284 million of 7% Senior Unsecured Notes; (ii) US$195 million of 10% Senior Secured Notes; (iii) $120 million of drawn and secured debt under its Term Loan A from Centerbridge; and (iv) US$105 million in drawn and secured debt under its Term Loan B. This high level of indebtedness could have important consequences for the Company's shareholders, including the following:
  - requiring the Company to dedicate a substantial portion of its cash flow from operations to payments on indebtedness and reducing the availability of cash flow to fund working capital, capital expenditures, development activity, acquisitions and other general corporate purposes;
  - increasing the Company's vulnerability to adverse general economic or industry conditions;
  - limiting flexibility in planning for, or reacting to, changes in the Company's businesses or industry; and
  - placing the Company at a competitive disadvantage compared to its competitors that have less indebtedness.

Risk Factors (cont.)

Risks arising from the terms of the Company's debt facilities

- The terms of the agreements governing the Company's terms loans A and B and the indentures governing its 7% and 10% Senior Notes contain restrictive terms that significantly limit the discretion of the Board and management with respect to certain business matters. Those agreements, among other things, restrict the Company's ability to:
  - incur additional indebtedness and guarantee indebtedness, which may limit the Company's ability to finance any additional working capital needs or capital expenditures for the Company's existing operations or finance the Company's expansion activities;
  - pay dividends on or make distributions with respect to capital stock or make certain other restricted payments;
  - sell or otherwise dispose of assets, including capital stock of restricted subsidiaries;
  - create or incur liens;
  - enter into sale/leaseback transactions;
  - merge, consolidate or sell assets;
  - make investments, spend capital in the Company's business and acquire assets;
  - make certain payments on indebtedness;
  - issue certain preferred equity interests or similar equity securities; and
  - change the nature of the Company's business.
- A breach of the Company's debt agreements and indentures could result in a default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. Under such circumstances, the Company's lenders could proceed against the collateral granted to them to secure that indebtedness. In the event lenders and noteholders accelerate the repayment of the Company's borrowings, the Company may not have sufficient assets to repay such indebtedness and the value of shareholders' equity likely would be severely affected.
- The Company's indebtedness pursuant to Term Loan B and its 10% Senior Secured Notes will mature in October 2018, including the obligation to pay deferred interest on Term Loan B which will have accreted to that point. The Company cannot provide assurance that its business will generate sufficient cash flow or that future borrowings will be available in an amount sufficient to repay this indebtedness or refinance it on substantially similar terms, or at all.

Risks related to changes in, or failures to comply with, the laws, regulations, policies or conditions of jurisdictions in which Boart Longyear conducts its business

- The mining industry is subject to regulation by governments around the world, including the regions in which the Company has operations, relating to matters such as controls and restrictions on production, and, potentially, nationalisation, expropriation or cancellation of contract rights, as well as restrictions on conducting business in such countries. Changes in, or the Company's failure to comply with, the laws, regulations, policies or conditions of any such jurisdiction could result in, among other consequences, the loss of Company assets, the elimination of certain rights that are critical to the Company's operation of its business in such jurisdiction or a decrease in revenue. In addition, some jurisdictions have recently considered or are considering legislation that would increase taxes or place further restrictions on production and development activities mining and other extractive industries. Such circumstances may cause a significant deterioration in mining spend in the jurisdictions in which the Company operates or in the Company's ability to continue to conduct its activities in those jurisdictions.

Risk Factors (cont.)

Risks of adverse foreign exchange movements and exchange controls

- Translation risk – Boart Longyear is exposed to fluctuations in the value of the U.S. dollar versus other currencies. Because its consolidated financial results are reported in U.S. dollars, if it generates sales or earnings or has assets and liabilities in other currencies, the translation into U.S. dollars for financial reporting purposes can result in a significant increase or decrease in the amount of those sales or earnings and net assets. This is magnified by the fact that a substantial portion of the Company's operations are conducted outside of the United States and the Company typically earns revenues and pays expenses in the local currencies in the jurisdictions in which it operates. The Company does not generally hedge such foreign currency exchange rate exposures, and fluctuations in foreign currency exchange rates may also make period to period comparisons of the Company's results of operations difficult.
- Transaction risk – The Company's operations also are exposed to significant transaction risk. It often bids on contracts in U.S. dollars but is paid in local currency. If the U.S. dollar strengthens against the local currency during the term of the contract, the revenue earned from those contracts may be significantly less than expected. Additionally, during the period on which the Company earns its revenue in a local currency and prior to exchanging that currency into U.S. dollars, the Company is exposed to further exchange rate risk. In addition, the majority of the Company's variable costs to provide drilling services and to pay labor costs and purchase materials related to its products business in those locations are transacted in local currencies.
- Exchange controls risk – Some of the countries in which Boart Longyear operates have currency exchange controls, such as China, South Africa and Brazil. These exchange controls prevent the Company from being able to freely convert these currencies into currencies of other countries which may be less volatile. The increased hold time of these currencies further exposes the Company to exchange rate risk. Additionally, countries in which the Company operates that currently do not have exchange rate controls may implement exchange rate controls in the future and countries in which the Company operates that do have exchange rate controls may tighten these controls. Any of these factors could have material adverse effect on the Company.

Potential liabilities under the United States Foreign Corrupt Practices Act or other similar anti-corruption laws

- Many countries where the Company operates rank poorly in published indices of perceived public corruption. In these and other countries, Company operations may be subject to the U.S. Foreign Corrupt Practices Act (the "FCPA"), the United Kingdom's Bribery Act, the Australian Criminal Code Act and other anti-corruption laws, which generally prohibit companies or their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. The Company's activities in these countries create the risk of unauthorised payments or offers of payments by employees, agents or distributors that could be in violation of applicable anti-corruption laws, even though these parties are not always subject to the Company's control. The Company has internal controls, policies and procedures to protect against such risks and has implemented screening, training and compliance programs for its employees, agents and distributors with respect to these laws. However, there is no assurance that such controls, policies, procedures and programmes always will protect the Company from potentially improper or criminal acts. Violations of the FCPA or other anti-corruption laws or regulations may result in severe criminal or civil sanctions, and the Company may be subject to other liabilities, which could negatively affect its business, operating results and financial condition. In addition, the Company may cease conducting business in certain high risk countries where it determines the risk of inadvertently making these types of payments is too high. This could significantly affect revenue if mining customers continue to pursue new exploration projects in areas where the Company decides not to conduct business.

Risk Factors (cont.)

Reliance on key personnel

- The operating and financial performance of Boart Longyear is dependent on its ability to retain key personnel (including directors and senior management). The Company's continued ability to compete effectively depends on its capacity to retain and motivate existing key employees as well as attract new employees. The loss of key personnel could cause material disruption to Boart Longyear's activities and operations in the short to medium term. There can be no assurance that there will not be a detrimental impact on operations and performance if a number of key people cease their employment.

Supplier relationships

- Boart Longyear relies on key supplier relationships to significantly reduce the backlog time for drill rigs and coring tools. Any change in key supplier relationships may adversely affect the earnings and financial performance of Boart Longyear.
- A significant delay in delivery or time lag between delivery and despatch to the field or a failure to deliver the additional rigs, may have a material adverse effect on Boart Longyear’s financial position and operating performance. The delay or inability of suppliers to supply key manufacturing inputs such as steel may delay manufacturing of products and rigs that may adversely affect Boart Longyear’s operational and financial performance.

Increases in wages or the prices of raw materials

- Boart Longyear purchases a significant amount of steel, industrial diamonds and carbon for use in its Products business and uses a substantial amount of fuel in its Drilling Services business. The Company does not engage in any type of hedging activities to mitigate the risks of increases in market prices for these inputs and, therefore, significant increases in the price of these materials would increase operating costs. In addition, a shortage of qualified people to perform drilling services may result in significant wage inflation. If the Company is unable to pass along increases in the prices of key inputs or increases in the wages that it must pay, then operating margins could be materially adversely affected.

Operational risks and liability

- The Company has consolidated its manufacturing operations globally and has increased its reliance on individual remaining manufacturing locations for the supply of equipment and performance tooling to external and internal customers, including its Drilling Services business. Two manufacturing locations have unionised work forces. To the extent that manufacturing locations have disputes with their employees, particularly those covered by collective bargaining agreements or represented by unions or their equivalents, or are affected by casualty events or other events or circumstances, the Company may face shortages of key materials and components and subcomponents it uses in its Products and Drilling Services businesses. These shortages may make it difficult to conduct business and may have an adverse effect on operations.
- Boart Longyear’s operations are subject to many hazards inherent in the drilling services industries, including blowouts, cratering, explosions, fires, loss of hole, damages or lost equipment and damage or loss from inclement weather or natural disasters. Any of these hazards could result in personal injury or death, damage to or destruction of equipment and facilities, suspension of operations, environmental damage and damage to the property of others. Additionally, warranty and indemnity provisions in the Company’s drilling services contracts could leave the Company exposed to significant risk and liability associated with the services performed under such contracts. Boart Longyear seeks protection for certain of these risks through insurance and through maintaining certain contracting standards but it cannot ensure that such insurance, contractual limitations of liability or any indemnification it may receive from third parties will adequately protect the Company against liability from all of the consequences of the hazards described above. The occurrence of an event not fully insured or indemnified against, or the failure of a third party or an insurer to meet its indemnification or insurance obligations, could result in substantial losses. In addition, insurance may not be available to cover any or all of these risks, or, even if available, may not be adequate. Insurance premiums or other costs may rise significantly in the future, so as to make such insurance prohibitively expensive or uneconomic. In future insurance renewals, the Company may choose to increase self-insurance retentions (and thus assume a greater degree of risk) in order to reduce costs associated with increased insurance premiums.

Risk Factors (cont.)

Risks relating to internal controls

- In the last several years, the Company has undergone significant restructuring, including significantly reducing its overhead, implementing a global sourcing policy, rationalising its manufacturing footprint, consolidating its regional operating structure and drilling services territories and rationalising its supply chain and maintenance organisations. In certain cases the Company has discovered its internal controls are inadequate, particularly in light of the highly distributed nature of its drilling services business, and there continue to be weaknesses in the design and implementation of effective controls in parts of the Company’s global operations. Over the years, management has discovered several thefts that were not timely detected, or prevented, by existing internal controls. In certain of the countries where Boart Longyear operates, a significant number of transactions are conducted in cash, which makes prevention and detection of thefts much more difficult. If management is unsuccessful in establishing adequate levels of controls, it may impact the Company's operational and financial performance, as well as the Company's financial reporting and the accuracy of the Company's public disclosures, and existing controls may not be sufficient to safeguard Company assets.

Enterprise risk management programme

- The Company employs an enterprise risk management programme to assist it in identifying and mitigating risk, and the results of the ERM framework are reviewed periodically with the Board. While management and the Board believe the ERM programme provides a sound framework for anticipating risk, there is no assurance the programme will identify all material risks or that it will result in the effective mitigation of such risks

Regulatory

- The drilling industry is highly regulated by environmental, health and safety regulations which could have a material impact on the functioning, financial stability and future earnings potential of Boart Longyear.
- In particular, Boart Longyear's business is subject to environmental laws and regulations in many jurisdictions in which it operates that require specific operating licences and impose various requirements and standards, including regulations under both Commonwealth and state legislation in Australia. These laws and regulations provide for penalties and other liabilities for the violation of such laws, regulations and remedial actions. Boart Longyear incurs costs to comply with these environmental laws and regulations and violation of them, or changes to such laws and regulations, including changes to operating licence conditions, could result in penalties and other liabilities and could have a significant adverse impact on Boart Longyear's operations and financial position.
- With heightened government and public sensitivity to environmental stability, environmental regulators are increasing the regulatory requirements, oversight and scrutiny in which potential projects and licences are evaluated. This could lead to delays and increased costs associated with Boart Longyear's operations and projects. Additionally, environmental laws and regulations may become more stringent in the future, and Boart Longyear may incur greater costs in complying with the increased regulation, which could have an adverse effect on its operating results and financial performance. Further, legislation and regulations affect Boart Longyear’s mineral exploration customers and influence their decision whether to conduct mineral exploration and development.
- Sanctions for non-compliance with environmental, and health and safety laws and regulations may include monetary fines, suspension of operations or other penalties. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Therefore, Boart Longyear could have liability for the conduct of others or for acts that were in compliance with all applicable laws at the time it performed them.

Availability of ongoing capital as required

- Boart Longyear’s continued ability to effectively implement its business plan over time may depend, in part, on its ability to raise additional funds for future growth opportunities and to repay debt maturities as they fall due. Absent the availability of credit on acceptable terms, Boart Longyear may be required to make further funding calls on existing equity holders or seek new shareholders via dilutive issues to existing equity holders.

Risk Factors (cont.)

Customers' access to funding

- Conditions in the credit and equity markets impact the ability of mining companies, particularly smaller "junior" companies to fund their exploration operations. Unfavourable conditions in these markets can adversely impact mining companies' spending on drilling services, which can have a material adverse effect on Boart Longyear's financial performance and position. A deterioration of conditions in the credit and equity markets generally and the ability of Boart Longyear's clients to raise capital, may lead to deferral or cancellation of some projects and, consequently, decrease the demand for Boart Longyear's drilling products and services.

General economic conditions

- The operating and financial performance of Boart Longyear is influenced by a variety of general economic and business conditions, including inflation, interest rates and exchange rates, access to debt and capital markets, and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse effect on the financial performance, financial position, cash flows, distributions, growth prospects and share price of Boart Longyear.

Risk of asset impairment

- Under A-IFRS, Boart Longyear is required to review the carrying value of its non-financial assets, other than inventory and deferred tax assets, annually or whenever there is an indication of impairment. If there is any indication of impairment, then the assets recoverable amount is estimated. Changes in assumptions underlying the recoverable amount of certain assets of Boart Longyear as a result of deteriorating market conditions or increasing cost of capital could result in an impairment of such assets, which may have a material adverse effect on Boart Longyear's financial performance and position.

Risk of litigation

- Boart Longyear is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. Litigation risks relating to Boart Longyear include, but are not limited to, contractual claims, employee claims and regulatory disputes. There is a risk that material or costly disputes could arise which may adversely affect the financial performance and position of Boart Longyear.

Risk related to bad debts (counterparty credit risk)

- Credit risk is the risk of financial loss to Boart Longyear if a customer or counterparty to a contract fails to meet its contractual obligations, and arises principally from Boart Longyear's receivables from customers.
- Boart Longyear's credit risk on trade and other receivables arises principally from the creditworthiness of individual customers. The financial failure of a major customer or a number of significant customers, resulting in the failure of one or more of those customers to settle amounts owing to Boart Longyear may have a material adverse effect on Boart Longyear's future financial performance and position.

Product risk

- The provision of products and services by Boart Longyear carries with it a risk of liability for losses arising from the provision of defective products or services, environmental damage, personal injury or property damage and indirect or consequential losses suffered by third parties. Boart Longyear's insurance and contractual arrangements may not adequately protect it against such liabilities and any loss falling outside the scope of insurance may adversely affect Boart Longyear's financial performance and/or financial position.

Risk Factors (cont.)

Risks related to an investment in New Shares

Equity market risks

- There are general risks associated with an investment in the share market. Such risks may affect the value of the Shares. The value of New Shares may rise above or fall below their issue price, depending on the financial position and operating performance of Boart Longyear. There is no guarantee that the New Shares will trade at or above the issue price. Investors should note that the past performance of the Shares on ASX provide no guidance as to its future securities price performance. Further, broader market factors affecting the price of New Shares are unpredictable and may be unrelated or disproportionate to the financial or operating performance of Boart Longyear. Such factors may include the economic conditions in Australia and oversees, investor sentiment in the local and international stock markets, consumer sentiment, changes in fiscal, monetary, regulatory and other governmental policies, global political and economic stability, interest and inflation rates and foreign exchange rates.
- The Rights Issue will raise $103.4 million which is the Australian dollar equivalent of US$84 million determined at an exchange rate of 0.8151 on 17 December 2014. As the Rights Issue is being conducted in Australian dollars, there is a risk that if there is a decline in the Australian dollar against the US dollar between 17 December 2014 and 27 January 2015, then the total amount raised in respect of the exercise of rights by eligible shareholders will be less than US$84 million. This risk is mitigated, to some extent, as if there is a decline in the Australian dollar against the US dollar, so that the amount subscribed by Centerbridge pursuant to its underwriting obligations is less than US$0.1350, Centerbridge has agreed to pay an additional amount to Boart Longyear to ensure that it receives US$0.1350 for every New Share comprised in the shortfall

Future payment of dividends

- On 26 August 2014, Boart Longyear announced that it will not pay out an interim dividend with respect to the half year ended 30 June 2014. Any future dividend levels will be determined by the board of Boart Longyear having regard to its operating results and financial position. There is no guarantee that any dividend will be paid by Boart Longyear or, if paid, that they will be paid at previous levels.

Underwriting Agreement

- The Rights issue is fully underwritten by Centerbridge
- Centerbridge currently has voting power in approximately 37% of the issued Shares
- If in fulfilling its underwriting obligation, Centerbridge would become the owner of more than 49.9% of the voting power of Boart Longyear's voting stock, Centerbridge will acquire Convertible Preference Shares instead of shares. Further information regarding the terms of the Convertible Preference Shares is set out in Section 5.4 and Schedule 1 of the Notice of Meeting and Explanatory Statement
- Centerbridge may terminate the underwriting agreement in certain circumstances, including if:
  - The conditions precedent to the issue of Shares or Convertible Preference Shares under the Buy Back Subscription Agreement and the Equitisation Subscription Agreement are not satisfied or waived;
  - Boart Longyear withdraws the Rights Issue;
  - Boart Longyear is prevented from allotting or issuing the Shares under the Rights Issue in accordance with the underwriting agreement; or
  - Boart Longyear ceases to be admitted to the official list of ASX or ASX does not grant quotation of the Shares;
- Centerbridge may also terminate the underwriting agreement in certain circumstances if, in the reasonable opinion of Centerbridge, it will result in Centerbridge contravening or incurring a liability under any other applicable law, including if:
  - ASIC applies for an order, investigates or commences proceedings in relation to the Rights Issue;
  - The offer materials do not comply with the Corporations Act, the ASX listing rules or any other applicable law;
  - A new circumstance arises which is materially adverse to investors in the Shares and which would have been required by the Corporations Act to have been included in the offer materials had the new circumstances arisen before the offer materials were given to ASX; or
  - There is a breach of warranty or undertaking by Boart Longyear
- Further information regarding the underwriting agreement is set out in Section 5.3 of the Notice of Meeting and Explanatory Statement

Impact on Optionholders and LTIP holders

Existing optionholders:

- Will be entitled to participate in the Rights Issue in respect of their options only to the extent those options have vested and been exercised and the relevant shares have been transferred or issued to them before the record date for the Rights Issue
- With unvested options will not be able to participate in the Rights Issue
- Will have the terms of the existing options varied as permitted by the ASX Listing Rules

Participants in the Company's Long Term Incentive Plan (LTIP)

- Will be entitled to participate in the Rights Issue in respect of their rights only to the extent that those rights have vested and the relevant shares have been transferred or issued to them before the record date for the Rights Issue
- With unvested rights will not be able to participate in the Rights Issue
- Will not have the terms of their rights under the LTIP varied (including the number of shares which may vest) to reflect the terms of the Rights Issue

International Offer Restrictions

This Presentation does not constitute an offer of rights ("Rights") or New Shares in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the Rights and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This Presentation constitutes an offering of Rights and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Presentation, the merits of the Rights or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Rights or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and receipted by the securities regulator in the applicable Province. Furthermore, any resale of the Rights or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this Presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this Presentation are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Rights or the New Shares purchased pursuant to this Presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this Presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this Presentation contains a misrepresentation, a purchaser who purchases the Rights and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.

International Offer Restrictions (cont.)

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Rights and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this Presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Presentation, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce Présentation, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Economic Area – Denmark, Germany and Netherlands

The information in this Presentation has been prepared on the basis that all offers of Rights and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of Rights and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Hong Kong

WARNING: This Presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Presentation or to permit the distribution of this Presentation or any Presentations issued in connection with it. Accordingly, the Rights and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

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International Offer Restrictions (cont.)

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This Presentation has been given to you on the basis that you are (i) an existing holder of the Company’s shares, (ii) an "institutional investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

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Neither this Presentation nor any other offering or marketing material relating to the Rights and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Presentation will not be filed with, and the offer of Rights and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

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International Offer Restrictions (cont.)

United Kingdom

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Restrictions on eligibility criteria

Rights may only be purchased by persons in Australia and New Zealand and persons in Canada (British Columbia, Ontario and Quebec provinces), European Economic Area (Denmark, Germany and Netherlands), Hong Kong, Norway, Singapore, Switzerland and the United Kingdom meeting certain eligibility criteria that are set out in the Appendix to the investor presentation (refer to the section entitled “International Offer Restrictions”), which Boart Longyear has filed with the ASX today. Rights may be exercised by Eligible Shareholders and investors who satisfy the above criteria who purchase rights.

It is the responsibility of purchasers of rights to inform themselves of the eligibility criteria for exercise.

Ineligible shareholders, including persons in the United States and persons acting for the account or benefit of persons in the United States, will not be able to take up or exercise any rights purchased on ASX or otherwise, and may receive no value for any such rights acquired.