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

23 February 2015

Boart Longyear Announces 2014 Full Year Financial Results and Business Outlook

Boart Longyear Limited **(ASX: BLY)**, the world's leading supplier of drilling services, drilling equipment and performance tooling for mining and drilling companies, today announces its financial results for the full-year ended 31 December 2014. In addition, the Company is providing updates on its operations, including an outlook for expected market conditions in 2015.

Summary of 2014 full year financial results:

- Revenue of US$867 million compared to US$1,223 million in 2013
- Statutory EBITDA of (US$83 million loss) compared to (US$337 million loss) in 2013
- Adjusted[1] EBITDA of US$31 million compared to US$107 million in 2013
- Statutory net loss after taxes (NPAT) of (US$333 million) compared to (US$620 million net loss) in 2013
- Adjusted[1] NPAT of (US$142 million loss) compared to (US$94 million loss) in 2013
- Statutory losses per share of (US$0.71) compared to losses per share (US$1.36) in 2013
- US$114 million of significant items comprised of restructuring and recapitalisation costs, asset impairments and employee related costs, of which US$68 million were non-cash and US$46 million related to the recapitalisation
- SG&A of US$164 million, achieving target of US$165-US$170 million

Other operational highlights:

- Improved safety performance, with Total Case Incident Rate (TCIR) reaching an historic low for the Company and strong Lost Time Injury Rate (LTIR) performance
- Slight increase in net debt, by US$21 million, to US$548 million.
- Successful completion of the strategic review of recapitalisation options, resulting in:
    - Debt maturity extension from 2016 to 2020.
    - New, covenant-lite, accreting interest term loan replacing covenant-laden, cash interest bank facility and US$105 million of the Company's 10% cash interest senior notes
    - Cash and cash equivalents of US$169 million.
- Four new products launched
- The table below reflects the pro forma impact of the final recapitalisation transactions that occurred in January 2015

US$M	Statutory	Pro Forma
Loans and Borrowings	716	700
Less: Cash and Cash Equivalents	169	234
Net Debt	**548**	**466**
Issued Capital	**1,159**	**1,259**

Richard O'Brien, Boart Longyear's President and Chief Executive Officer, commented on the Company's 2014 results, stating, "Despite the challenges we faced in 2014 from continued reductions in the demand for our services and products, we enter 2015 in a stronger and healthier position than when we communicated with shareholders at this time last year. We were safer in 2014 than in any year since going public in 2007 and we intend to continue on a path of improvement. As a result of our recently completed recapitalisation, we no longer face the material uncertainty we faced one-year ago related to our potential inability to refinance our debt. We are much better positioned as a result of substantial and sustainable cost reductions to provide increased earnings and cash flow when our markets recover. We are still the global leader in drilling services, providing our mining, energy and other customers with a full range of safe, reliable and efficient drilling technologies, utilising the most modern equipment backed by some of the most experienced drillers in the world. And, while carefully managing every dollar of our spending, we continue to deliver and develop next generation, customer driven innovations in our Products business.

"The Centerbridge-backed recapitalisation that we announced in late October 2014 and for which we received overwhelming support from our shareholders in December was completed in late January 2015. Overall, the recapitalisation provided US$127 million of additional equity to our balance sheet and allowed us to refinance US$225 million of our debt on more favourable terms and significantly enhanced our financial flexibility and liquidity. We have eliminated the material uncertainty incorporated in our 2013 and first-half 2014 financials and are now positioned to invest in the Company's future and capitalise on growth opportunities, including through the continued development of innovative products for the marketplace and supporting our customers through safe and modern drilling technologies and programs. The recapitalisation is an important step forward for our Company and for the achievement of our strategic goals."

Mr O'Brien continued, "Significant cost cutting actions completed over the past two years should provide strong margin expansion when our markets improve. Throughout 2013 and 2014, we have delivered on our commitments to significantly reduce our cost structure, reducing our total operating, SG&A, overhead and capital costs by $1.1 billion.

[1]*Adjusted EBITDA, Adjusted EBIT, and Adjusted NPAT are non-IFRS measures and are used internally by management to assess the performance of the business and, for 2014, have been derived from the Company's financial statements by adding back US$114 million pre-tax (US$80 million post-tax) of significant items comprising US$114 million of restructuring and recapitalisation costs, asset impairments and employee related costs*

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

"Our markets will improve, and, when they do, we expect to be much better positioned to deliver improved profit margins and cash generation. Our disciplined approach to cost control and a greater emphasis on capital efficiency will allow us to sustainably operate our business at lower SG&A and capital costs than the Company achieved in the 2010 through 2012 market upcycle. We also believe we have additional opportunities to improve efficiencies in our business and variabilise costs in line with changes in operating activity. In the near term we will focus on these opportunities and on increasing efficiencies and maintaining pricing discipline in our Drilling Services business, delivering more customer-driven designs from our Products business, continuing to deliver benefits from our combined platforms for supply chain, inventory management and maintenance services and carefully examining our capital deployment and related strategies. While focusing on cost and efficiencies, we are also working harder to ensure we anticipate and fully serve our customers' needs and meet our commitments to all of our stakeholders to operate safely and compliantly.

"The Boart Longyear franchise, which celebrates its 125th anniversary this year, is fundamentally strong and valuable. We are excited and proud to celebrate our 125th anniversary. As we have been throughout our history, we continue to be driven by the desire to find more ways to help our customers efficiently discover and delineate new reserves and produce existing reserves while continuously increasing our productivity and improving our safety performance. We have worked hard to navigate through the difficult market environment of recent years. We are energized by a renewed vigor and discipline that we believe positions us to grow far into the future. As we celebrate the many accomplishments of our past, we are moving confidently toward the future."

Safety

Safety performance is central to the Company's strategy of operational improvements and improved customer relationships. Management and the Company's employees regard safety as not only a fundamental business value but also a significant commercial opportunity and risk, as blue-chip mining customers increasingly look to safety performance as a basis to differentiate their suppliers.

In 2014, the Company recorded strong and improved safety performance with a Total Case Incident Rate (TCIR)[2] of 1.35 and a Lost Time Injury Rate (LTIR)[3] of 0.11, compared to 1.62 and 0.19 for 2013. The Company will continue to pursue better safety performance focusing on forward-looking safety indicators, such as increased interactions between managers and field employees, disciplined tracking and remediation of risks and increased training for field our supervisors and employees.

Financial and Operational Overview

The Company generated US$31 million of adjusted EBITDA and minimised the increase in its net debt in 2014 by continuing its focused cost reduction and operational improvement initiatives to counteract muted demand conditions in the Company's core markets, which persisted throughout the year. With weak outlooks for most key commodities, the world's mining companies focused on maximising near-term cash flows and continued to hold back on their exploration, development and capital expenditures during the year. Those conditions put pressure on the entire drilling industry and adversely impacted the Company's financial results, which are set out in the table below:

US$M, except EPS and Headcount	FY 2013	FY 2014	% Change Fav/(Unfav)
Revenue	**1,223**	**867**	**(29%)**
Gross Margin	**202**	**116**	**(43%)**
Gross Margin as a % of Revenue	17%	13%	
EBIT / Operating Profit (Loss)	**(468)**	**(185)**	**NMF**
EBIT / Op Profit as a % of Revenue	(38%)	(21%)	
EBITDA (Loss)	**(337)**	**(83)**	**NMF**
EBITDA as a % of Revenue	(28%)	(10%)	
NPAT (Loss)	**(620)**	**(333)**	**NMF**
NPAT as a % of Revenue	(51%)	(38%)	
EPS (Cents)	**(136.1)**	**(70.8)**	**NMF**
Cash from Operations	**76**	**55**	**(28%)**
Net Debt	**526**	**548**	**4%**
Headcount (31 December)	**5,681**	**5,933**	**4%**

US$M, except EPS and Headcount	FY 2013	FY 2014	% Change Fav/(Unfav)
Revenue	**1,223**	**867**	**(29%)**
Gross Margin	**202**	**116**	**(43%)**
Gross Margin as a % of Revenue	17%	13%	
EBIT / Operating Profit (Loss)	**(24)**	**(71)**	**NMF**
EBIT / Op Profit as a % of Revenue	(2%)	(8%)	
EBITDA (Loss)	**107**	**31**	**(71%)**
EBITDA as a % of Revenue	9%	4%	
NPAT (Loss)	**(94)**	**(142)**	**NMF**
NPAT as a % of Revenue	(8%)	(16%)	

---

[2] *Based on 200,000 hours worked.*
[3] *Based on 200,000 hours worked.*

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

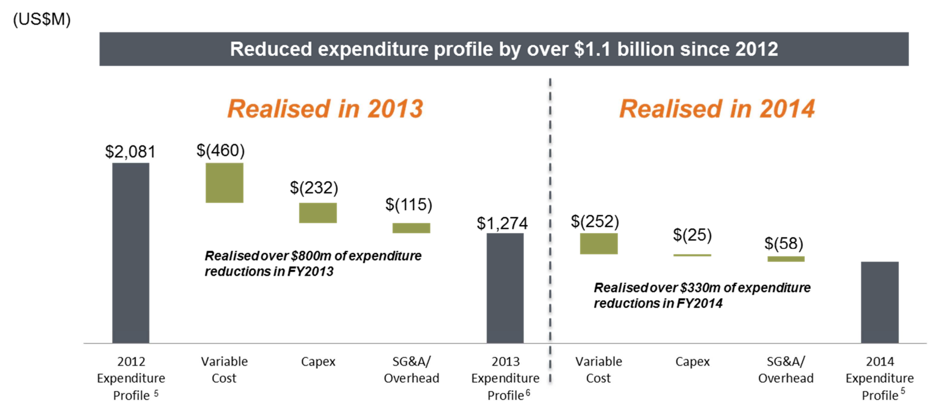
Cost Reduction Update

The Company's management team has maintained its focus on reducing its overall fixed cost profile through the removal of SG&A and other overhead expenses to support its objectives of cash generation, debt reduction and margin improvement. Nearly US$190 million of total run-rate savings has been achieved through three cost reduction programs that have been undertaken in December 2012, August 2013 and January 2014. The Company estimates the impacts of the programs and the periods in which savings were realised to be as indicated in the table on the right.

Cost savings impact:

	2012	2013	2014	Total
December 2012	15	55	-	70
August 2013	-	60	30	90
January 2014	-	-	28	28
Total Savings	**15**	**115**	**58**	**188**

The prudent management of the Company's total cost structure as evidenced by the reduced expenditure profile (see chart below) - including cost of goods sold, overheads, SG&A and capital costs - will remain a priority for 2015. The Company believes more savings can be achieved over the long term through manufacturing and administrative optimisation programs as well as process improvements and structural changes to drive efficiencies and improve responsiveness to customer needs and changing market conditions.



Completion of Recapitalisation

As previously announced, the Company successfully addressed an urgent priority for 2014 with the completion of a comprehensive recapitalisation transaction with Centerbridge Partners, the Company's largest shareholder. The recapitalisation provides the Company with a more sustainable capital structure and secures additional liquidity to weather the current market cycle and position the Company for future growth. Significantly, it also preserves shareholder upside as the Company's performance improves by providing shareholders the opportunity to invest alongside Centerbridge. Following completion of all the components of the recapitalisation in January 2015, Centerbridge owns 49.9% of the Company's ordinary shares in addition to 434 million preference shares.

Segment Overview

Drilling Services (US$M)	FY2013	1H2014	2H2014	FY2014	% Change Half over Half	% Change Year over Year
Revenue	917	308	328	636	6%	(31)%
COGS	783	281	301	581	7%	(26)%
SG&A	85	28	30	58	6%	(32)%
EBITDA	142	37	32	69	(12)%	(52)%
EBITDA as a % of Revenue	*15%*	*12%*	*10%*	*11%*		

Drilling Services

The Company's Drilling Services division recorded revenue of US$636 million for 2014, a reduction of 31% from 2013. Lower rig utilisation, particularly in the first half of 2014, and price reductions due to extremely competitive conditions combined with higher maintenance costs and adverse currency movements to contribute to a 52% decline in the division's EBITDA to US$69 million. Following four consecutive halves of decline, revenue in the second half of 2014 increased by US$20 million to US$328 million from first half 2014 levels of US$320 million. EBITDA in the first half of 2014 was US$36 million, compared to US$32 million in the second half of 2014. EBITDA margins were impacted by continued reductions in pricing, isolated project delays, unfavourable currency movements, principally in the fourth quarter, and the impact of Ebola on the Company's West African operations.

The Company's operating drill rig utilisation averaged approximately 37% during 2014, with activity levels improving slightly in the second half of the year over the first half. While Drilling Services experienced some volume improvement in North America and Australia, demand for drilling in emerging markets remained slow. Demand for underground drilling remained strong throughout the year, as mining companies continued to focus on production. Drilling Services continued its efforts to diversify into non-mining projects, including oil and gas, agriculture and water wells.

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 Drilling Services division maintained its commitment to operational excellence, innovation and safety despite other market challenges. The division's operations in Eastern Australia were awarded *Mining Magazine's* surface mining (hard rock) award for successfully drilling the deepest hole in Australia using a sonic rig. The crew drilled to 212 meters at Menindee near Broken Hill in New South Wales, beating the prior record of 206 meters, which was also achieved by Boart Longyear using the same method. Also in 2014, the division recorded 60 projects that have operated without a lost-time injury for at least three years, and an Australian Boart Longyear crew celebrated six years with no lost-time injuries at the Western Areas Forrestania nickel mine in Western Australia.

Products (US$M)	FY2013	1H2014	2H2014	FY2014	% Change Half over Half	% Change Year over Year
Revenue	306	113	117	230	4%	(25)%
COGS	237	85	86	171	(2)%	(28)%
SG&A	65	29	28	57	(1)%	(12)%
EBITDA	16	6	8	14	41%	(12)%
EBITDA as a % of Revenue	*5%*	*5%*	*7%*	*6%*		

Products

Revenue for Boart Longyear's Products division was US$230 million for the year, a 25% decline from 2013, while EBITDA[3] declined 13% to US$14 million. The decrease in revenue was primarily due to lower volume and, to a lesser extent, price as well as the effect of adverse currency movements. The decrease in EBITDA was driven by the flow-through of lower volume and slightly lower pricing, which were partially offset by lower COGS, obsolescence charges and SG&A. The Products division's results were impacted by low rig utilisation rates among its customers, some of which continue to de-stock, with most continuing to hold only minimal levels of inventory necessary to support their ongoing operations.

Revenue and EBITDA for the Products division declined through the first half of 2014 but began improving slightly in the second half of 2014 (apart from the typical seasonal decline the business experiences around the end-of-year holiday period). Revenue in the first half of 2014 was US$113 million, compared to US$117 million in the second half. EBITDA in the first half was US$6 million, compared to US$8 million in the second half.

The division maintained its investment in new product development, which resulted in four new products being launched in 2014. Ongoing product development activity remains focused on production tooling and equipment as well as incremental enhancements to existing products to drive safety and productivity.

Boart Longyear expanded its line of underground LM™ modular diamond drill rigs to include the new LM110 for drilling deep holes. The LM110 is the most powerful Boart Longyear underground diamond coring drill rig to date. Boart Longyear also continued to promote its Driller Control Interface (DCi), which was introduced to the market in 2013 and provides drillers with a fully electronic interface to more safely and efficiently operate underground drilling equipment.

The Company continues to demonstrate innovative product leadership, including the launch of a new line of BLH™ down-the-hole hammers and bits in April 2014 to increase productivity in conventional down-the-hole drilling applications and the entry into a new line of instrumentation called TruCore™ in Australia. Boart Longyear's Tru™ range of products is designed to bring more technology into the hands of the drill crew so it can deliver more information and value to the customer.

Additional Operating and Financial Information

Additional analysis of the Company's 2014 financial performance and results is available in the Operating and Financial Review of the Company's preliminary annual financial report for 2014, which was lodged with the Australian Securities Exchange today.

2015 Market Outlook

The Company is not providing an outlook for 2015 revenue or EBITDA. While we have seen some signs of a levelling in industry demand in the second half of 2014, the Company's financial results, especially margins, will continue to be challenged by extremely competitive industry pricing for drilling services and by other factors, such as the strengthening of the US dollar relative to many of the currencies in which we transact. We expect, however, that the primary factors driving revenue, such as rig utilisation rates and product sales volumes, will remain broadly consistent with levels experienced in 2014 and, in particular, the second half of 2014. We also expect that revenue and EBITDA will be negatively impacted by the read-through of price reductions incurred in 2014, especially in its Drilling Services division, and weakening currencies against the US dollar, the Company's reporting currency. Profitability will also be influenced positively by other factors, such as productivity and management's ability to further control costs.

Considerations in evaluating 2015 outlook include:

	2015
Revenue	Consistent with 2nd half 2014 levels, but adjusting for: > Price, including read-through of actions taken in 2014 and potential further actions in 2015 > Currency movements
SG&A	Similar to 2014, with expectation between US$165 million to US$175 million
Capex	Similar to 2014 target of US$25 million, but subject to changing market conditions
Working Capital	Further release estimated at US$25 million to US$50 million, primarily as a result of inventory reductions

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 Company believes some market expectations for 2015 revenue and EBITDA, including even at the low end of the range of current 2015 analyst estimates, do not reflect current market conditions, the full impact of 2014 price reductions and recent foreign exchange movements on the Company's projected results for 2015. Current analyst forecasts for 2015, as compiled by Bloomberg as of 20 February 2015, reflect a revenue range of US$823 million to US$888 million and an EBITDA range of US$50 million to US$69 million. Net debt consensus of US$547 million for 31 December 2015, with a range of US$529 million to US$569 million, is broadly in line with current Company expectations.

External industry analysts suggest that exploration related expenses, overall, have declined from US$21.5 billion in 2012 to $15.2 billion in 2013 and around $11.5 billion in 2014, a decline of almost 47%. Mr. O'Brien commented, "In the medium-term, we expect that mining companies and junior explorers will likely have to increase their exploration spending to replace and add to reserves. Several major mining companies have not replaced reserves over the last few years and will need to address future reserve additions at some point in the cycle. We remain confident that a sustained, multi-year recovery in demand for our drilling services and products will occur. We only wish we were as confident in our ability to say exactly when that recovery will occur. In the meantime, we will continue to do what we do very well - invest in and support the value of our franchise, sustain and develop the considerable talent and commitment of our employees worldwide to allow us to deliver and exceed our customers' expectations and efficiently and effectively manage our total costs and increase our margins. Overall, our goal remains: being the safest and most efficient and profitable drilling services and products company in the world. "

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

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

The Global Drilling Services division operates in over 30 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 08 8375 8300
USA +1 801 401 3712
ir@boartlongyear.com

Media:
David Symons
Cato Counsel
Sydney: (02) 8306 4244
Mobile: 410 559 184
david@catocounsel.com.au