

2 January 2019

RE-DOMICILIATION: ASX LISTING RULE 10.1

Boart Longyear Limited (**Company** or **Boart Longyear**) advises that it has obtained a waiver from Listing Rule 10.1 (**Waiver**).

The terms of the Waiver are set out in Attachment A.

In February 2014 the Company initiated a strategic review which involved an extensive assessment of potential options to maximize shareholder value and provide the Company with a more sustainable capital structure. The Company explored numerous recapitalisation and restructuring options and on 23 October 2014, the Company announced that it had entered into a series of agreements with Centerbridge Partners LP (**Centerbridge**) in relation to a comprehensive recapitalisation transaction. As part of that transaction Centerbridge provided to the Company covenant lite term loans which accrete interest to refinance its existing cash pay covenant laden revolving credit facility and to buy back some of the existing Secured Notes (**Original Term Loans**). Centerbridge at the time held 12.7% of the Company's issued shares and the Company and Centerbridge were dealing at arms' length. The Original Term Loans were restructured as part of the creditors scheme implemented in 2017 (**Restructured Term Loans**). A summary of the Restructured Term Loans is contained in the 2017 Annual Report for the Company.

The Company is now proposing that as part of an internal debt reorganisation that the Restructured Term Loans be moved to the US. This is being effected by novating those loans to a new US subsidiary of BLY rather than an assignment of the existing Restructured Term Loans. The terms of the novated loans are substantially the same as those previously negotiated and agreed under the Restructured Term Loans. The novation does not involve the provision of any additional funding. The novation of the Term Loans has necessitated the Company obtaining the Waiver (in place of the waiver of Listing Rule 10.1 previously obtained by the Company in respect of the Restructured Term Loans). The Waiver permits the Company and its subsidiaries to provide security to Centerbridge in respect of the novated Term Loans.

In relation to paragraph 1.5.1 of the Waiver, the Company advises that it expects to repay the novated Term Loans in accordance with the maturity date of those loans, and at the same time to seek to discharge the security granted in relation to those loans.



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About Boart Longyear

Established in 1890, Boart Longyear is the world's leading provider of drilling services, drilling equipment and performance tooling for mining and drilling companies. It also has a substantial presence in aftermarket parts and service, energy, mine de-watering, oil sands exploration, production drilling, and down-hole instrumentation.

The Global Drilling Services division operates 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, down-hole instrumentation and parts and services.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia (ASX:BLY). More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, follow us on [Twitter](#), [LinkedIn](#) and [Facebook](#).

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ATTACHMENT A

ASX Waiver

1. Based solely on the information provided, ASX Limited ("ASX") grants Boart Longyear Limited (the "Company") a waiver from listing rule 10.1 to the extent necessary to permit the Company, its subsidiary, BL Capital Management LLC ("BL Capital"), and certain other subsidiaries to grant security over their assets ("Security") in favour of Wilmington Trust, National Association as collateral agent for Centerbridge Partners, L.P. ("Centerbridge") and its associates, to secure the Company and certain subsidiaries' obligations under term loans comprising two tranches being the terms of Term Loan A and Term Loan B for up to US\$292.5 million (plus any interest accrued under the original term loan) ("New Term Loan") without obtaining shareholder approval, on the following conditions.

1.1. The Security includes a term that if an event of default occurs and Centerbridge exercises its rights under the Security, neither Centerbridge nor any of its associates can acquire any legal or beneficial interest in an asset of the Company or any of its subsidiaries (including BL Capital) in full or part satisfaction of the Company and certain other subsidiaries including BL Capital's obligations under the Security, or otherwise deal with the assets of the Company or its subsidiaries, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Centerbridge) appointed by Centerbridge exercising its power of sale under the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Centerbridge in accordance with its legal entitlements.

1.2. A summary of the material terms of the New Term Loan and the Security is made in each annual report of the Company during the term of the New Term Loan.

1.3. Any variations to the terms of the New Term Loan or Security which is:

1.3.1. not a minor change; or

1.3.2. inconsistent with the terms of the waiver;

must be subject to shareholder approval.

1.4. The Company, BL Capital, all other relevant subsidiaries and Centerbridge must seek to discharge the Security when the funds advanced to BL Capital are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further period.

1.5. The Company immediately releases to the market an announcement which sets out the material terms of this waiver, including:

1.5.1. BL Capital and the Company's plan to the repayment of the funds advanced under the New Term Loan, and discharge Security, including the timeframe within which it expects the repayment and discharge to occur; and

1.5.2. a statement of the reasons why BL Capital and the Company have chosen to obtain a financial accommodation from a listing rule 10.1 party rather than a lender that is not a listing rule 10.1 party, and the steps the boards of BL Capital and the Company have taken to satisfy itself that the transaction is being entered into on arms' length terms and is fair and reasonable from the perspective of the Company's shareholders.

2. ASX has considered listing rule 10.1 only and makes no statement as to the Company's compliance with other listing rules.