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27 January 2015

Boart Longyear completes its Recapitalisation**Rights Issue**

Boart Longyear Limited (**ASX:BLY**) (**Boart Longyear** or the **Company**) today completed its pro-rata traditional renounceable rights issue launched on 18 December 2014 (**Rights Issue**).

The Rights Issue raised approximately A\$103.1 million from the issue of approximately 191 million fully paid ordinary shares (**New Shares**) at an offer price of A\$0.165 per New Share and the issue of approximately 434 million fully paid Convertible Preference Shares at an issue price of A\$0.165 per share to Centerbridge under the terms of the Underwriting Agreement entered into between the Company and Centerbridge, as approved by shareholders at the EGM held on 17 December 2014.

The New Shares were issued today and will commence trading on ASX on 28 January 2015.

Share Buy Back Offer

Boart Longyear has also today completed the acquisition of a total of 7,534,112 fully paid ordinary shares at a price of A\$0.1650 per share, pursuant to the off-market buy back launched on 18 December 2014 (**Share Buy Back Offer**). Those shares have been cancelled and the Company will despatch the consideration for those shares to successful eligible participants on 28 January 2015.

The Company has also today issued to Centerbridge a total of 7,534,112 fully paid ordinary shares in Boart Longyear in order to fund its acquisition of shares under the Share Buy Back Offer.

Equitisation

In addition, Boart Longyear has today completed the equitisation of US\$16 million of its 7.00% Senior Notes Due 2021, held by Centerbridge, its affiliates and related funds through the issue of 102,757,289 fully paid ordinary shares to Centerbridge (**Equitisation**). The Equitisation reduces the Company's indebtedness by US\$16 million and ongoing interest costs by approximately US\$1.1 million per annum.

Following completion of the Rights Issue, the Share Buy Back Offer and the Equitisation, the Company has 930,864,944 fully paid ordinary shares and 434,001,968 fully paid Convertible Preference Shares on issue. Centerbridge now holds (a) 464,501,607 fully paid ordinary shares representing 49.9% of the issued share capital of the Company and (b) 434,001,968 fully paid Convertible Preference Shares issued at a value of approximately A\$71 million.

This completes the Recapitalisation Transaction with Centerbridge Partners announced on 23 October 2014.

Disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.



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This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be unlawful. The New Shares offered and sold in the Rights Issue and the shares offered and sold in the Share Buy Back Offer have not been and will not be registered under the U.S. Securities Act, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold in the United States unless they are registered under the U.S. Securities Act and any other applicable U.S. state securities laws or offered and sold pursuant to an exemption from, or in a transaction not subject to, registration.

About Boart Longyear

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

The Global Drilling Services division operates in over 40 countries for a diverse mining customer base spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals. The Global Products division designs, manufactures and sells drilling equipment, performance tooling, and aftermarket parts and services to customers in over 100 countries.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia. More information about Boart Longyear can be found at www.boartlongyear.com.

To get Boart Longyear news direct, visit <http://www.boartlongyear.com/rssfeed>.

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