



TruCore™ Core Orientation Tool

Annual General Meeting
May 2016 – Adelaide



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Chairman's Address
Marcus Randolph



Who We Are



RESULTS



DRILLING



GLOBAL



PEOPLE



TECHNOLOGY



PRODUCTS



HISTORY

INTEGRITY

- Boart Longyear is the leading provider of drilling services, drilling equipment, and performance tooling for mining and drilling companies globally
- Customers rely on our unique ability to develop, field test, and deliver any combination of drilling consumables, capital equipment, and expertise to every corner of the world

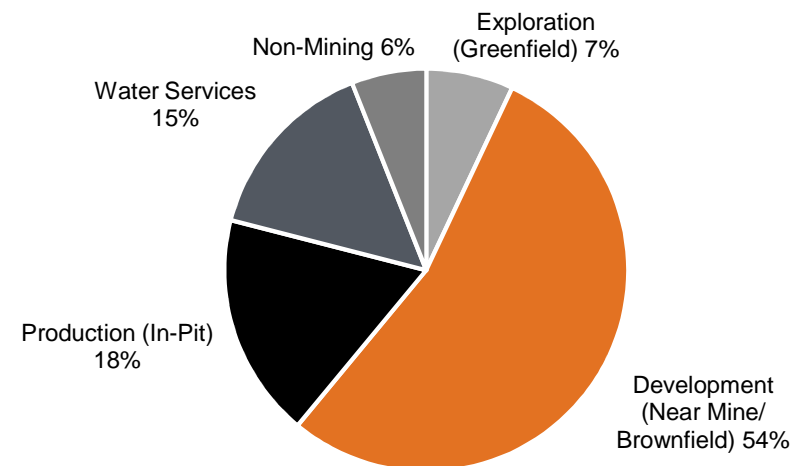
Global Drilling Services

Active across all mining stages



Stage	Boart Longyear Service Offering
Explore	<ul style="list-style-type: none"> • Surface coring • Reverse Circulation ("RC") to get through overburden quickly • Rotary for water exploration to build hydrology intelligence
Evaluate	<ul style="list-style-type: none"> • Surface coring • Reverse Circulation
Develop & Construct	<ul style="list-style-type: none"> • Water services • Underground drilling • Surface coring
Mine	<ul style="list-style-type: none"> • Reverse Circulation for step out drilling • Reverse Circulation to get through overburden quickly • Underground blast and percussive drilling • In-pit surface and underground coring • Drilling horizontal and vertical drains for pit stabilization
Process & Optimize	<ul style="list-style-type: none"> • Underground coring • Water services • Sonic



FY 2015 Drilling Services Revenue by Stage



Global Products

Technology Innovator



	Minerals & Energy	Rock Drill & Blast	Environmental & Infrastructure	Key Innovations
Drilling Tools				<ul style="list-style-type: none"> • UMX™ Diamond Bits - Higher penetration/longer life • RQ™ Drill Rods - Most reliable deep hole rod • V-Wall™ Coring Rods - Increases rig depth capacity • Roller Latch™ - Increased safety/productivity
Drilling Equipment				<ul style="list-style-type: none"> • LX™11 Coring Rig - Safer & more productive • LS™250 MiniSonic™ Rig - More efficient/better samples • DCi™ Control System - Unattended drilling • S250-M3 Rock Drill - Same power, less noise

In Development:

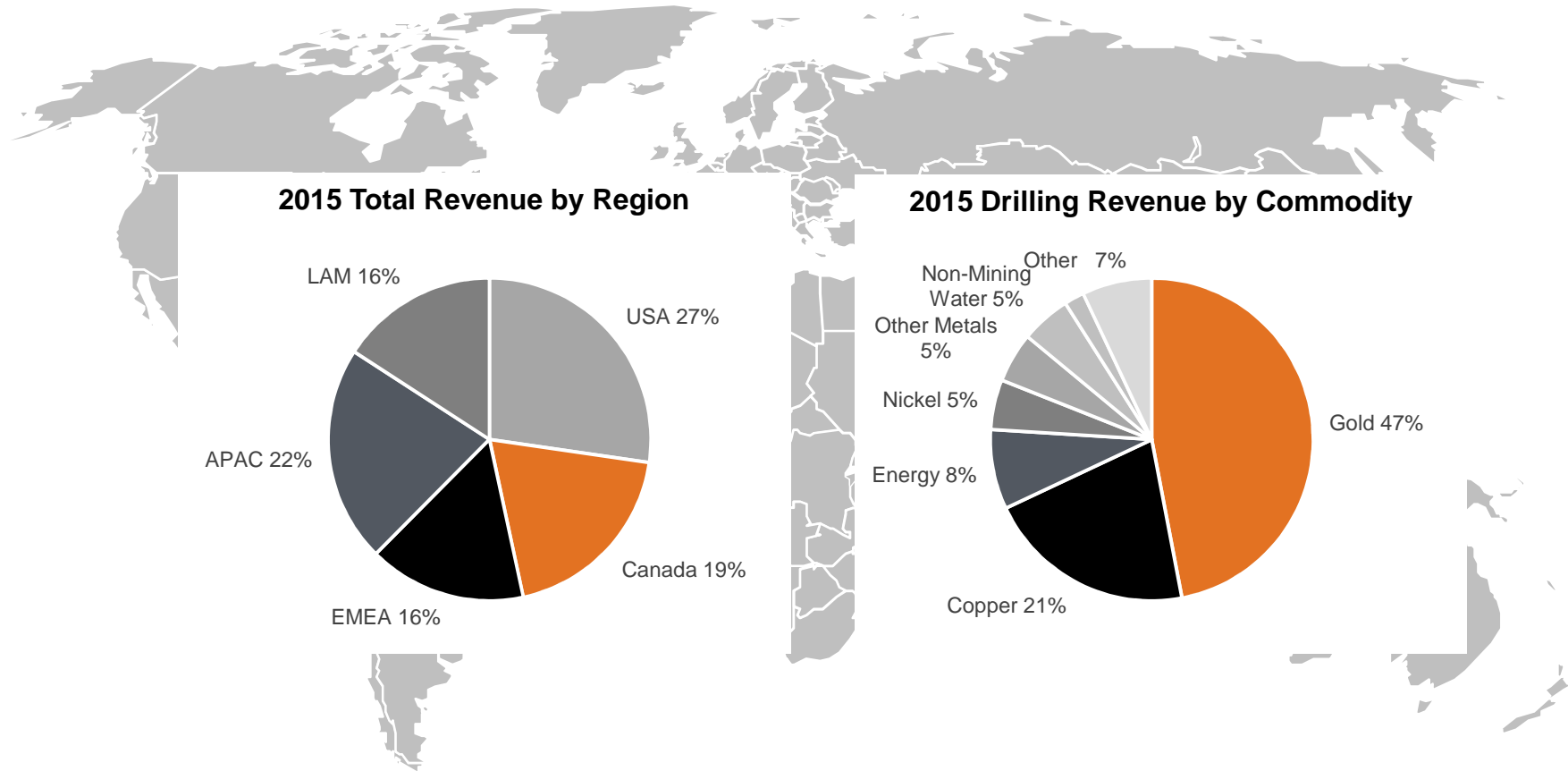
- Suite of survey, geophysical, assaying & logging tools
- All at the rig
- All done by drill crews



- **TruCore™ Core Orientation** – RELEASED IN AUSTRALIA
- **TruProbe™** – COMING SOON
- **TruShot™** – COMING SOON
- **Other on-site analysis tools** – COMING SOON

Global Presence

Serving our customers in major mining markets



FY 2015 Summary



➤ Safety

- Total case rate moderately better – 8% improvement year-over-year
- Increase in lost time rate – 0.18 vs. 0.11 in 2014
- No fatalities

➤ Revenues

- Down \$131M (15%)
- FX the key driver – \$74M of the decrease
- Price down \$30M; volume down \$27M

➤ Costs

- Markedly improved
- COGS down \$124M (16%)
- Significant SG&A reductions in 2H 2015; \$25M reduction in run rate compared to 1H 2015

➤ Cash from Operations

- \$85M used in 1H and \$30M generated in 2H
- Improvement driven by cost control and productivity measures implemented in 2H plus seasonality

➤ Productivity

- Big push started September 1st
- Significant improvement in drill meters per shift in first 5 months

➤ Business Environment

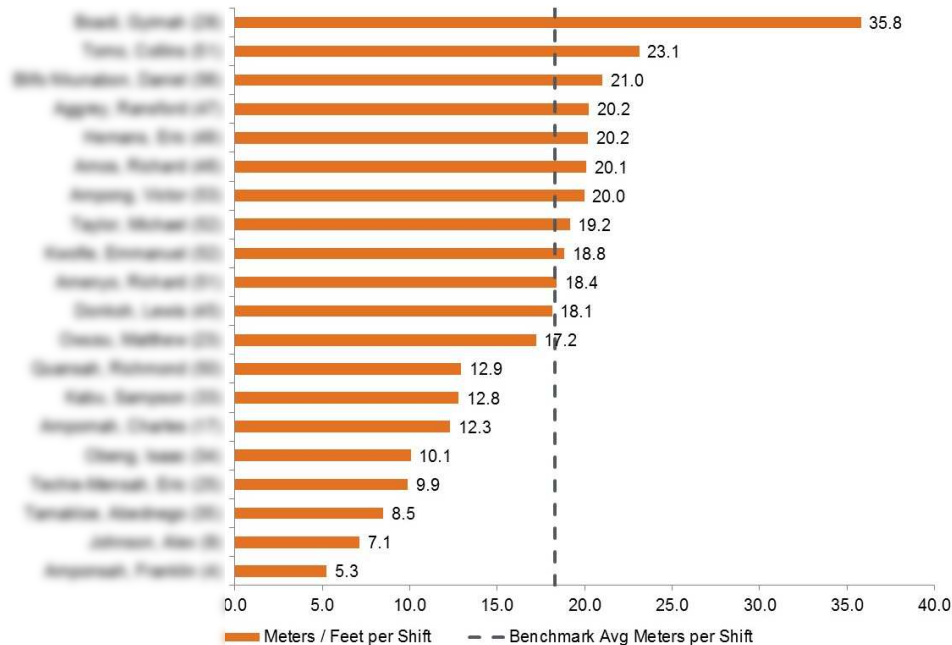
- All major minerals down in 2015
- Gold up 20% YTD
- Gold represented ~47% of Drilling Services revenue in 2015



Productivity Initiative



Example of Driller Productivity Chart



Progress Reviewed Regularly

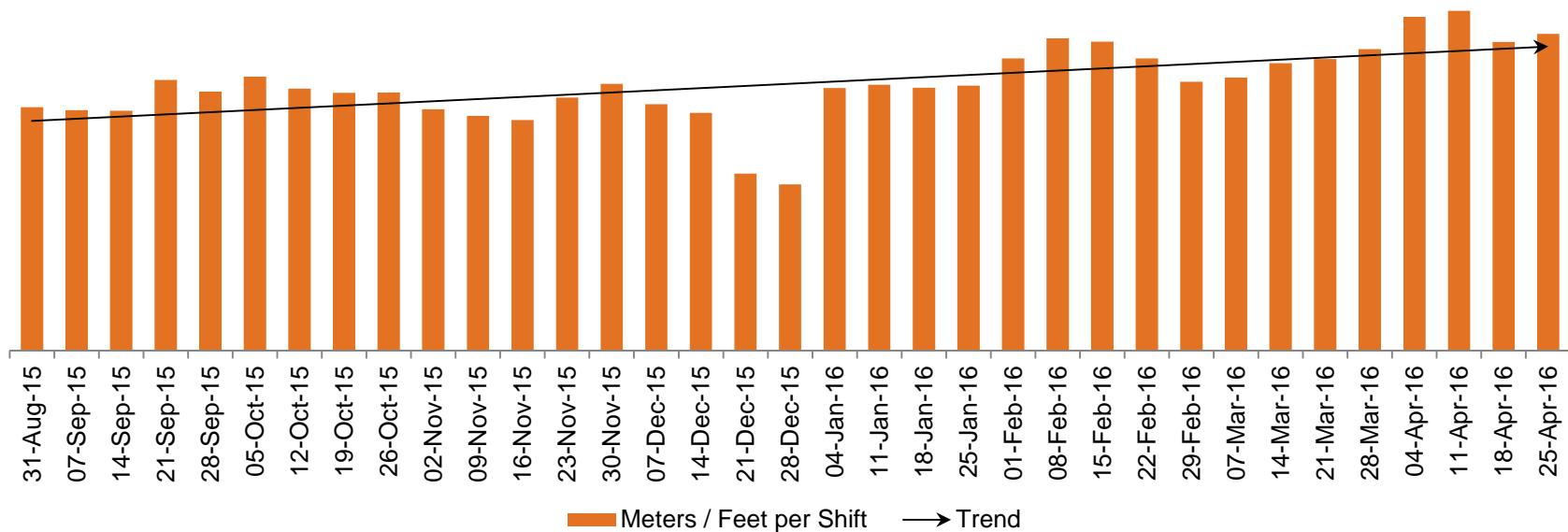


- Every drill crew gets instantaneous feedback on shift results (compared to other drillers & target)
- New incentive program with substantial bonuses for high performers
- Following metrics reported in detail:
 - Drill meters per shift
 - Time to first and last meter drilled
 - Revenue per shift
 - Drilling time and non-billable time

Significant improvement in productivity in first 8 months



Meters per Shift: First 8 Months (Surface & UG Coring)



- Good data in a timely manner with meaningful incentives works!
- Expect trend to continue

Experienced Board of Directors



Board of Directors

Marcus Randolph
(Executive
Chairman)



- Appointed February 2015
- Most recently chief executive of BHP Billiton's Ferrous and Coal business
- 35 years of mining experience

Bret Clayton



- Appointed February 2015
- Most recently group executive and member of Rio Tinto's executive committee
- 20 years of mining experience

**Jonathan
Lewinsohn**



- Appointed October 2014
- Partner at Centerbridge Partners

Gretchen McClain



- Appointed November 2015
- Founder & CEO of S&P 500 global water technology company
- Former NASA director of international space station

Deborah O'Toole



- Appointed November 2015
- Most recently CFO and EVP of Aurizon Holdings
- 20 years of mining experience

Peter Day



- Appointed February 2014
- Former executive roles in finance and general management
- 15 years of mining experience

Jeffrey Long



- Appointed November 2015
- Current CEO of Penhall Company
- Former senior managing director at Centerbridge Partners

Rex McLennan



- Appointed August 2013
- Former financial executive
- 30 years of resource experience

Jeffrey Olsen
(President &
CEO)



- Appointed April 2014
- Prior chief commercial officer for Rio Tinto's Iron & Titanium business & CFO of Rio Tinto's Borax & Minerals division
- 20 years of mining experience

**Experienced Board
Committed to BLY's Success**



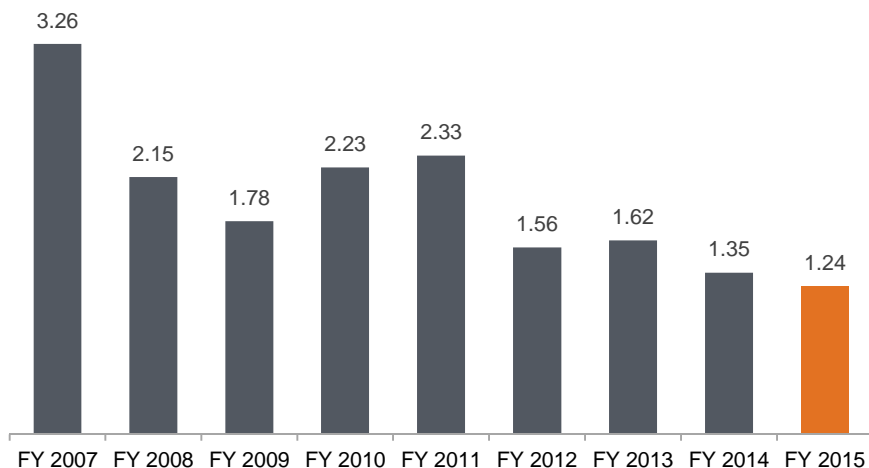
**BOART
LONGYEAR™**

Safety & Environment

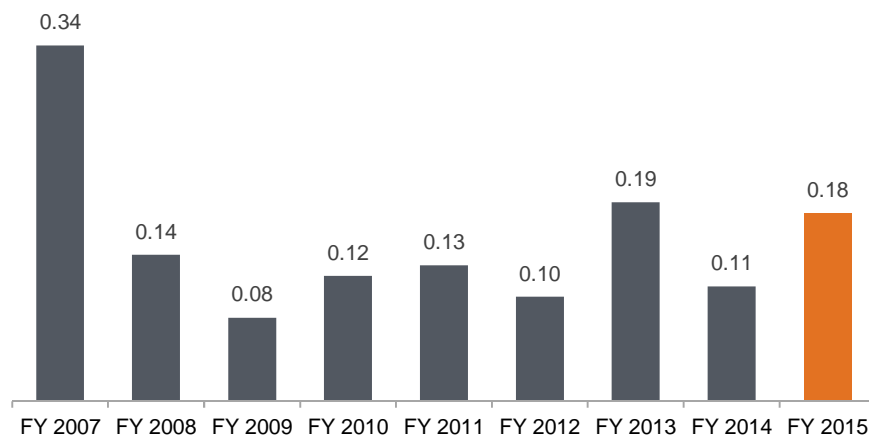
Our goal is to add value with zero harm – leading our industry with our employees returning home safely each day and performing our work with minimal impact to our neighbors or the environment.



Total Case Incident Rate



Lost Time Incident Rate



- **Safety Performance**

- Significant improvement in overall recordable injury cases
- Moderate increase in lost time injuries
- No fatalities

- **Proactive Safety Culture**

- Focused field leadership interactions with field employees covering significant areas of risk
- Continuation of drilling supervisor “Boots on the Ground” training program throughout LAM and EMEA regions

- **Continual Improvement**

- Focus on significant incident root cause analysis and corrective actions, supported by operations-centric incident reviews




Improvement in total case safety performance in 2015 and no fatalities


Productivity & cost control efforts have moved the dial



	FY 2014			FY 2015			Variance (YOY)		
(US \$M)	1H	2H	Total	1H	2H	Total	1H	2H	Total
Revenue	421	445	867	387	348	735	(34)	(97)	(131)
Adjusted EBITDA	19	13	31	2	(2)	(0)	(17)	(14)	(31)
Cash From Operations	(15)	3	(11)	(85)	30	(55)	(71)	27	(44)



2H 2015 cash from ops \$115M higher than 1H 2015



2H 2015 cash from ops \$27M higher than 2H 2014

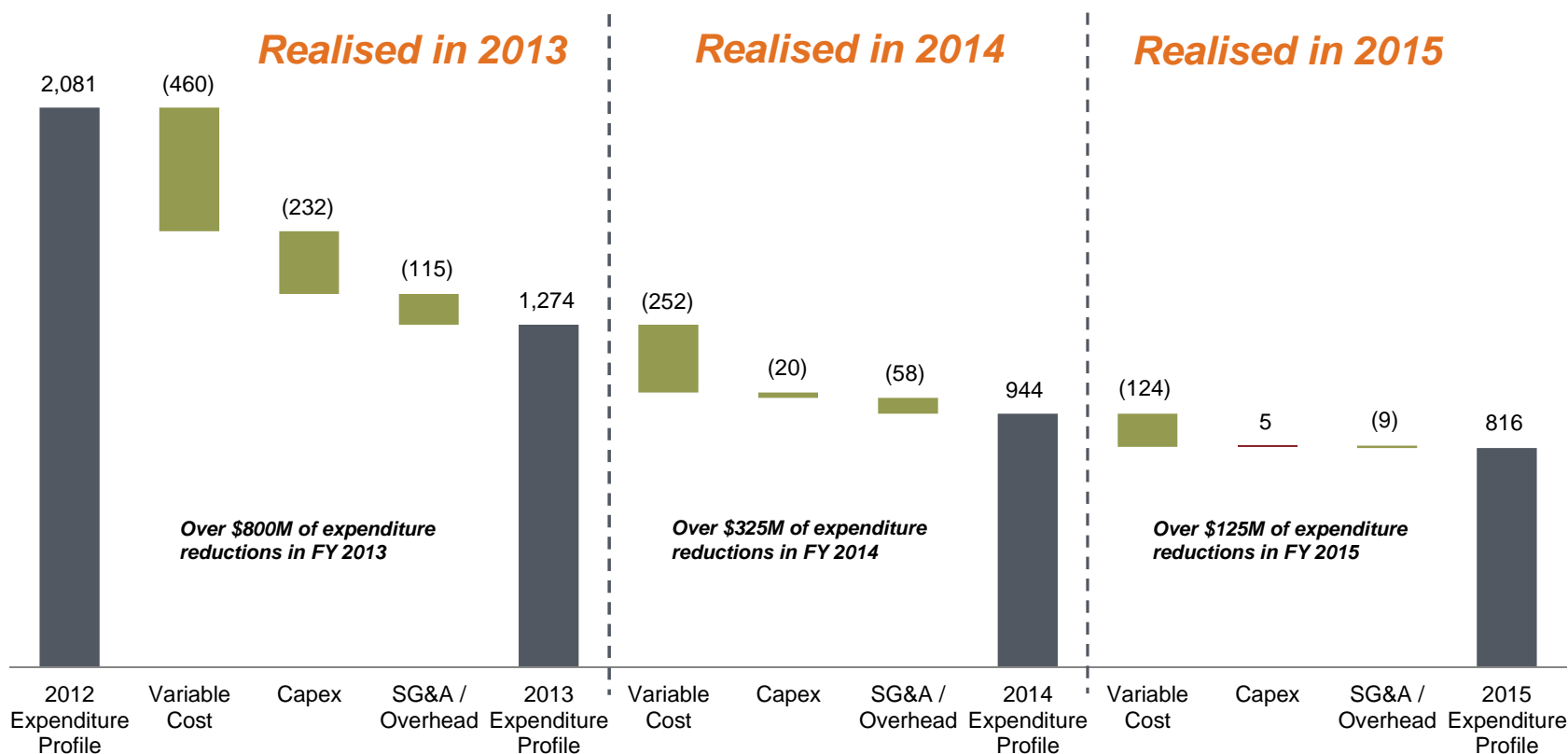
Cash from operations improved in 2H 2015 despite lower revenue driven by business improvement initiatives and seasonality

Continuing to manage our cost structure



(US \$M)

Reduced expenditure profile by over ~\$1.3 billion since 2012



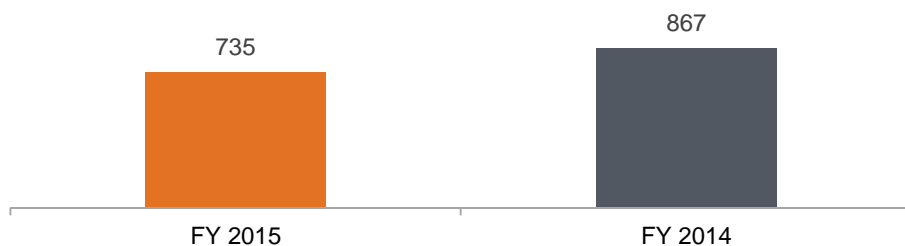
Q4 2015 cost actions will further reduce our cost profile in 2016

Consolidated Results Summary: FY 2015



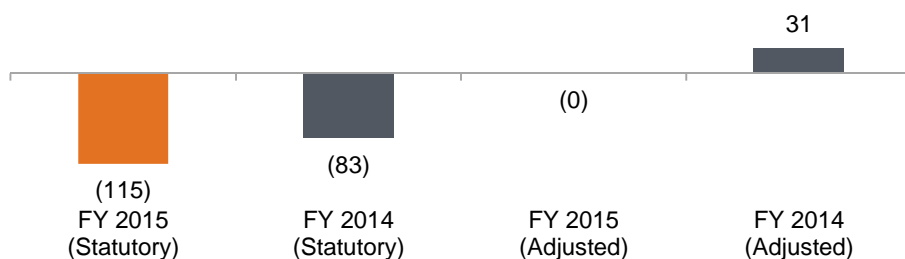
(US \$M)

Revenue



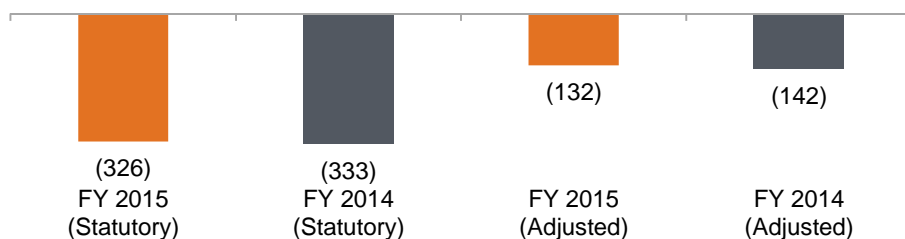
- FY 2015 was a difficult year for the industry and the Company due to lower commodity prices
- Demand stable for underground and production drilling and products
- Revenue down \$131M, driven by unfavorable currency translation as well as lower price and volume

EBITDA



- Adjusted EBITDA down \$31M, driven by lower price and volume in the Drilling Services division
- Impacts of price and volume were partially offset by improvements in productivity and lower SG&A

Net Profit After Tax



- Statutory loss of 36.0 cents compared to a loss of 70.8 cents in FY 2014
- No dividend to be paid

Q1 2016 Update



(US \$M)	Consolidated Results		
	Quarter Ended		% Change Fav/(Unfav)
	31-Mar-16	31-Mar-15	
Total Company			
Revenue	142	187	-24%
Statutory EBITDA	(12)	(14)	13%
Adjusted EBITDA	(6)	(10)	34%
Statutory Net Profit After Tax	(61)	(71)	14%
Adjusted Net Profit After Tax	(55)	(66)	17%
Net Cash Flows Generated/(Used) in Operating Activities	(50)	(75)	33%
Net Debt	639	538	-19%
Adjusted SG&A	27	40	32%
Number of Employees	4,611	5,537	17%

	Divisional Results		
	Quarter Ended		% Change Fav/(Unfav)
	31-Mar-16	31-Mar-15	
Global Drilling Services			
Revenue	97	136	-29%
Statutory EBITDA	2	4	-53%
Average Number of Operating Drill Rigs	257	329	-22%
Average Number of Drill Rigs	911	932	-2%
Average Rig Utilisation	28%	35%	-7%
Number of Employees	3,300	3,833	14%

Global Products			
Revenue	44	51	-13%
Statutory EBITDA	2	3	-29%
Average Backlog	15	19	-21%
Number of Employees	974	1,338	27%

- Q1 2016 revenue down 24% compared to Q1 2015
- Revenue decline primarily driven by lower volume & unfavourable currency movements
- Despite decline in revenue, EBITDA (statutory & adjusted) was up (13% & 34% respectively)
- Cash used in operations improved by \$25M or 33% (improvement was \$6M net of recapitalisation fees in Q1 2015)
- Improvements in profitability and cash were driven by strict cost control and productivity initiatives

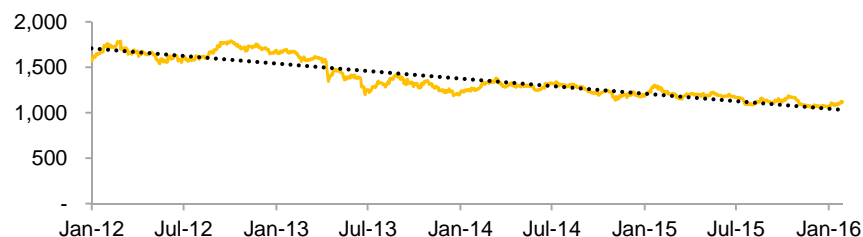
Note: Q1 2015 SG&A, after adjusting for the cost shift outlined in the Company's 2015 annual report, would have been \$34 million

Long-term commodity trends are negative but recent trends are improving

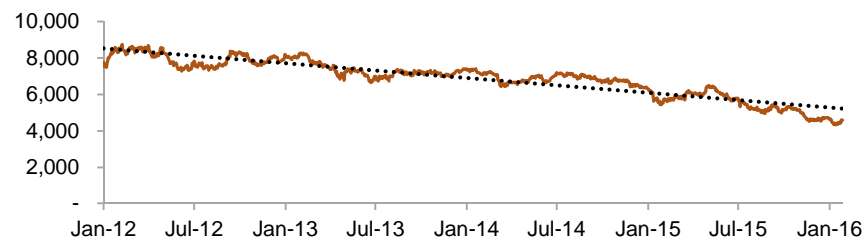


Long-Term Commodity Trends

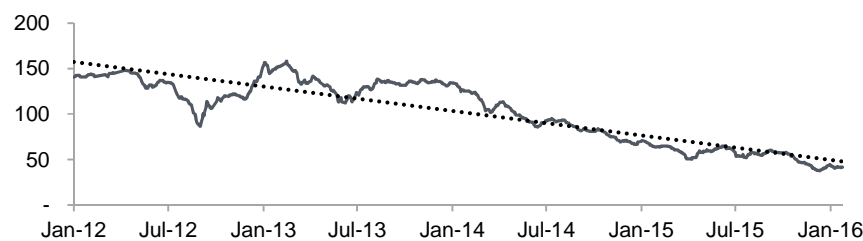
Gold (\$/oz.)



Copper (\$/MT)

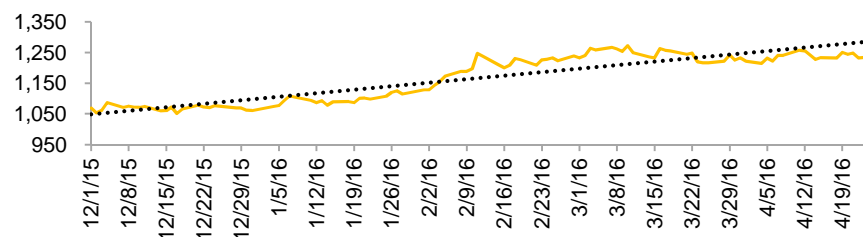


Iron Ore (\$/MT)

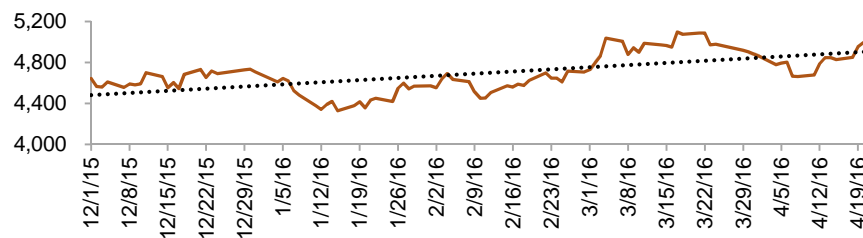


Recent Commodity Trends (since Dec-15)

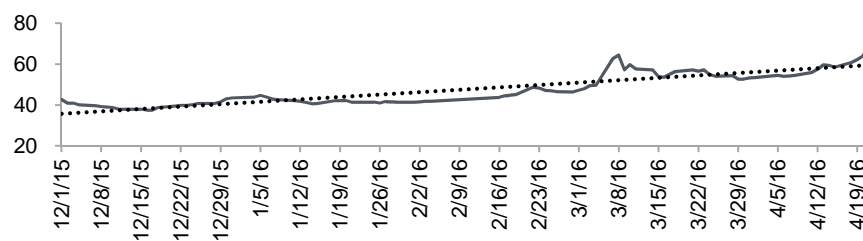
Gold (\$/oz.)



Copper (\$/MT)



Iron Ore (\$/MT)



Difficult market conditions persist



Key Risks Inherent to Our Business:

- **Market** – The Company's results, financial condition, and ability to achieve shareholder returns are directly linked to underlying market demand for drilling services and drilling products
- **Operational** – We have implemented significant cost savings and efficiencies during the course of the industry downturn. Our future operating results and financial condition depend on our ability to sustain these cost savings and realize the efficiencies related to our productivity initiatives.
- **Indebtedness & Liquidity** – Based on the Company's capital structure and the terms of our debt facilities, our ability to secure additional capital in the future, to the extent it becomes necessary to do so to fund operations, is uncertain

Management and Directors will continuously monitor and mitigate these risks

2016 Priorities

Focus on Safety, Productivity, Innovation & Cash



Safety	Focus on Behaviours & Culture Change	Increased Use of Physical Barriers	Improved Engineering
Continuous Improvement	Operations	Support Costs	Commercial Practices
Technology	Lower Operating Cost	Real-time Geological Data	Automation
Cash Management	Cash-neutral in 2017	Position for 2018 Debt Refinancing	Committed to Cost & Capital Discipline



Questions?