

30 October 2014

Debt Rating Agency Actions
Reflect Improvement Following Announced Recapitalisation

Boart Longyear Limited (**ASX:BLY**) – Moody's Investors Service and Standard & Poor's Ratings Services have reviewed the Company's debt ratings and have taken certain rating actions in response to the Company's recapitalisation announcement on 23 October 2014.

Moody's actions include:

- *Upgrading speculative grade liquidity rating to SGL-2 from SGL-4*
- *Changing rating outlook to stable from negative*
- *Affirming Corporate Family Rating and Probability of Default rating at Caa1 and Caa1-PD respectively*
- *Affirming Senior secured and senior unsecured note ratings at B3 and Caa2 respectively*

Moody's commentary in conjunction with its ratings actions notes, "[T]he recapitalization will significantly enhance Boart's liquidity and remove the likelihood of covenant defaults." Moody's also commented, "In addition, the refinancing improves the company's debt maturity profile with the earliest maturity being \$300 million in 2018."

Standard & Poor's also has commenced its review of the Company's debt ratings and taken certain actions, including:

- *Placing the corporate credit rating on CreditWatch with positive implications*
- *Placing the senior secured and unsecured notes on CreditWatch with positive implications*
- *Recovery ratings on secured and unsecured notes remain unchanged*

Standard & Poor's stated, "The CreditWatch listing reflects our view that the recapitalization provides BLY with cash to finance capital spending and other requirements while EBITDA generation remains weak." They went on to add, "We expect to resolve our CreditWatch listing following the vote by Boart Longyear shareholders on the proposed recapitalization, and it is likely we will raise the corporate credit rating one notch to CCC+."

Richard O'Brien, President and Chief Executive Officer of Boart Longyear commented, "We are pleased that the rating agencies have acknowledged that our recently announced recapitalization transaction has increased the company's liquidity and improved our credit outlook. We appreciate the support of our valued customers, suppliers and employees during the last nine months as we endured challenges in our markets and worked through our strategic review process. With our recapitalization announcement, we believe that all of our stakeholders should benefit from our much more sustainable balance sheet. We look forward to our shareholders approving the follow-on recapitalization steps later this year so that we can truly move forward focused on improving our margins and returns while protecting our liquidity and improved balance sheet".

About Boart Longyear

With over 120 years of expertise, 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.



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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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