LS600 - Poland

Recapitalisation Transaction: Centerbridge - 23 October 2014

BOART LONGYEAR™

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Transaction Background

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Binding agreement between Boart Longyear and Centerbridge to recapitalise the Company

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- Global market leader in providing drilling services and drilling products
- Unique vertically integrated business model
- Globally enabled platform and diversified customer mix with a strong focus on major mining companies
- Experienced management team
- Proven track record of health and safety

Centerbridge

- Private equity firm established in 2005
- US$20bn under management
- Dedicated to partnering with strong management teams across targeted industry sectors to help companies achieve their operating and financial objectives
- Currently largest BLY shareholder (19.9%), with one board seat
- Replaces banks as a new lender to the Company

Shareholder led recapitalisation provides a more stable capital base and positions shareholders to participate in industry recovery

Successful Completion of Strategic Review

Transaction Highlights

- Comprehensive recapitalisation
- Fully committed equity injection of US$119 million to US$127 million
- New term loans of up to US$225 million
- Total liquidity increased to approximately US$240 million[1]
- Net debt reduced by approximately US$120 million[2]
- Company is better positioned to sustain operations through to market recovery
- Extends debt maturity and improves flexibility
- Existing shareholders can participate through existing investment and may choose to further invest alongside Centerbridge

1. Assuming US$68m of cash on balance sheet as at 30 June 2014, cash to balance sheet from the transaction is US$186m, pre transaction costs.
2. Before transaction costs.

Centerbridge Recapitalisation Overview

New Term Loan

- New funded term loan provided by Centerbridge refinances former revolving credit facility and provides capacity for US$105m tender offer to secured bondholders
- Covenant-lite facility
- Eliminates problematic bank financial maintenance covenants in existing credit facility
- Provides capacity for US$105m tender offer to secured bondholders
- Provides additional liquidity via accretive interest (non-cash until paid upon maturity)

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New Equity Capital

- US$119m – US$127m equity injection
- US$6m initial unconditional placement has increased Centerbridge ownership to 19.9%
- Certain components are subject to shareholder approval
  - US$21m follow-on conditional placement to Centerbridge at US$0.1554 to US$0.1557/share
  - US$76m to US$84m renounceable rights offer at US$0.1350 / share[1] fully underwritten by Centerbridge
  - Exchanging US$16m of Senior Unsecured Notes for US$16m of equity (represents Centerbridge held notes)

Pricing Support

- Centerbridge will underwrite any shortfall in the Rights Offer at the VWAP Price of US$0.1350/share[1]
- Centerbridge will also fund the Company's equal access off market share buy-back of up to US$20m[2] at the Australian Rights Price

Stakeholder Alignment

- Centerbridge's minimum shareholding post all transactions of 41.6% ensures it is aligned and incentivised to drive value maximisation for shareholders through the cycle

The Centerbridge Recapitalisation involves a comprehensive debt refinancing and new equity raising from existing shareholders and Centerbridge

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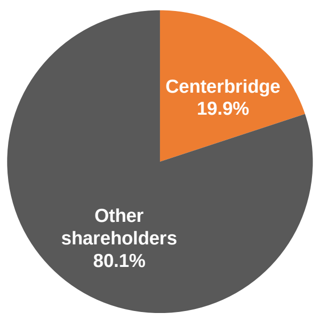
1. VWAP Price based on 30 day volume weighted average price as of market close on 17 October 2014 (US$0.1350). Rights Offer to be priced at the Australian Dollar equivalent of the VWAP Price based on the prevailing Australian Dollar to US Dollar exchange rate on the business day prior to the launch of the Rights Offer (Australian Dollar Rights Price).
2. US$20m cap is subject to reduction if the buy back results in Centerbridge beneficially owning more than 49.9% of the voting power of the Company's voting stock.

How the Recapitalisation Impacts Stakeholders

Shareholder Impact assuming 100% take-up of rights [1]

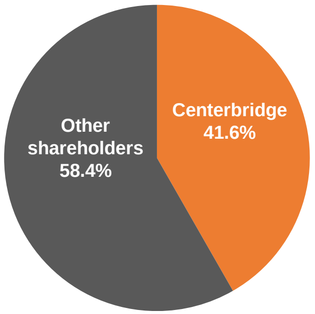
Shareholding (23 October)



New Equity

- US$76 to US$84m pro-rata renounceable rights issue
- US$38m placement/equitisation to Centerbridge

Shareholding (post transaction)

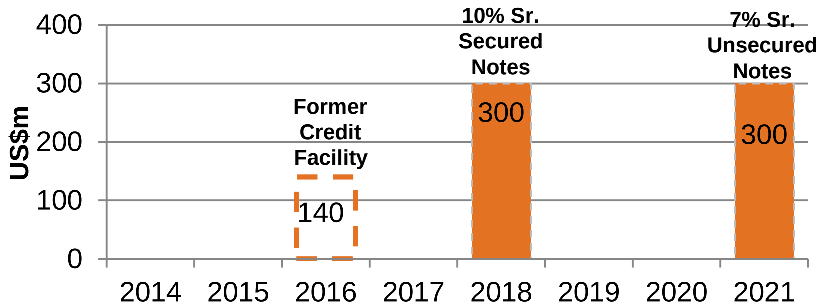


Options for shareholders[1,2]

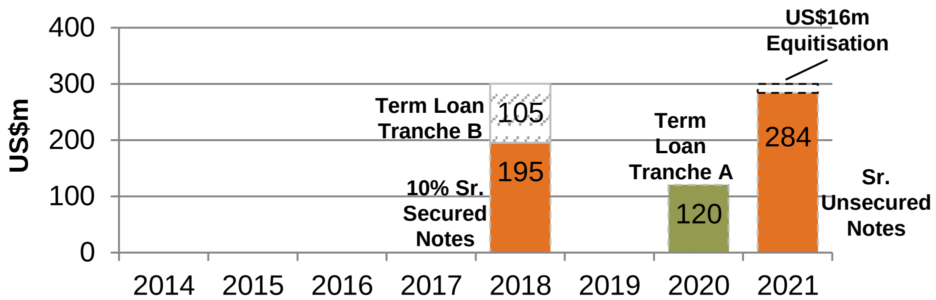
- Do nothing
- Exercise rights
- Sell rights (on market)
- Sell shares (into share buy-back or on market)

Debtholder Impact

Pre-Transaction



Post-Transaction



Note: Company may replace up to US$50m of Tranche A with an ABL facility

- Senior Secured bondholders can participate in US$105m tender offer at a premium to face value
- Bond terms remain unchanged
- Equity raise enhances Company's credit profile
- Improved liquidity via accretive interest

1. Shareholdings post transaction assume 100% take-up of rights, and that there are no shares bought back in the share buy-back.
2. No shareholder action required at this time. More detailed information will be forthcoming. This is not a complete list of all options available to shareholders. For example, shareholders may wish to acquire additional shares on market (either before or after the record date) or sell their shares on market. Shareholders should seek independent legal, accounting, financial or tax advice. See page 26 for more information.

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New Term Loan with accretive interest

Up to US$225 million in new 'covenant lite' term loans

- **Interest:** Accretive interest on Tranche A and B of 12% reducing to 11% for each quarter that trailing 12 month adjusted EBITDA is greater than US$200m
  - Improves liquidity (US$13m p.a.), with interest on each tranche accreted until the respective maturity
  - Guaranteed by an unrestricted subsidiary with a fair market value of approximately US$44 million

Tranche A[1] - US$120m

- Refinances bank revolving credit facility
- Eliminates problematic bank financial maintenance covenants
- Matures October 2020
- Redeemable in whole, but subject to a make-whole premium during the first 4 years
- Secured by first lien on working capital assets and second lien on other assets, consistent with prior bank facility security package
- Standard US high yield "101" change of control put

Funds working capital

Tranche B – up to US$105m

- Up to US$105 million to fund tender offer for existing Senior Secured Notes (debt neutral)
  - Early tender priced at 108% of par
  - Early tender time of 5:00 p.m. New York City time on 4 November 2014
  - Final closing time of 11:59 p.m. New York City time on 19 November 2014
  - No aspect of the transaction is conditional on the success of the bond tender offer other than Tranche B and an ABL[1]
- Matures 2018 coincidental with existing Senior Secured Notes (non-callable for life)
- Terms and conditions, except maturity, ability to call, and collateral, largely consistent with Tranche A

Funds Senior Secured Notes tendered

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1. Up to US$50 million of Tranche A may be replaced dollar-for-dollar, with no penalties, by new asset backed loan (ABL) for each dollar that Tranche B is drawn above US$55m.

New Equity Capital

US$119 million to US$127 million in new equity[1] with shareholders able to participate in rights offer

- **Pricing:** Rights Offer to be priced at the Australian Dollar equivalent of the VWAP Price based on the prevailing Australian Dollar to US Dollar exchange rate on the business day prior to the launch of the Rights Offer (**Australian Dollar Rights Price**)

1 Initial Equity Placement (completed)

- US$5.6m unconditional placement to Centerbridge at US$0.1485 which is a 10% premium[3] to the VWAP Price.
- Centerbridge ownership increased from 12.7% to 19.9%

Price/share = US$0.1485 10% premium on VWAP Price

2 Follow-on Equity Placement

(conditional on shareholder approval in late-December)

- US$21m conditional placement to Centerbridge in late-December at a 15% premium to the VWAP Price
- Centerbridge ownership will rise from 19.9% to 37.0% as a result of the conditional placement

Price/share = US$0.1554 to US$0.1557 15% premium on VWAP Price

3 Renounceable Rights Offer

(conditional on shareholder approval in late-December)

- US$76m to US$84m rights offer at the Australian Rights Price[2]
- 0.88 to 0.98 new shares for each then-existing share outstanding
- Rights tradable on ASX
- Unsubscribed rights will be taken up by Centerbridge under the Underwriting Agreement

Price/share = Will be set at the Australian Rights Price

4 Unsecured Notes Equitisation

(conditional on shareholder approval in late-December)

- Exchanging US$16m of Senior Unsecured Notes for US$16m of equity (represents Centerbridge held notes)
- Priced at a 15% premium to the VWAP Price
- Centerbridge ownership will be a minimum of 41.6% assuming 100% take up and no shares are bought back under the share buy-back

Price/share = US$0.1554 to US$0.1557 15% premium on VWAP Price

1. Range of new equity raised reflects the incremental equity required to pay the premium on the secured bond tender.
2. Shares will be offered at the AUD Rights Price set on the business day prior to the launch date.
3. Premium paid if shareholder approval given to all recapitalisation transactions.

Equity Funded Share Buy-back and Preference Shares

Share buy-back	
	• Concurrent with rights offer there will be an equal access US$20m[1] off-market buy-back of the ordinary[2] shares at the Australian Dollar Rights Price – Shareholders can sell some or all of their shares into the buy-back at the Australian dollar equivalent of the Australian Dollar Rights Price on the business day prior to launch, subject to a pro-rata scale back depending on level of participation – Conditional on shareholder approval – Liquidity option for shareholders who do not wish to retain shares in the company – Centerbridge will provide Boart Longyear with cash for each share bought back and will be issued one new share or one new convertible preference share in exchange

Preference Shares[3]	
	• If required, to the extent shareholder participation in the Rights Offer or share buy-back were to result in Centerbridge beneficially owning more than 49.9% of voting power of the Company's voting stock , Centerbridge will receive non-voting preference shares. – Preference shares cannot convert if it were to result in Centerbridge beneficially owning more than 49.9% of the voting power of the Company's voting stock

1. US$20m cap is subject to a pro-rata scale back if the buy back results in Centerbridge owning in excess of 49.9% of the Company's voting stock.
2. Ordinary shares are entitled to voting rights, dissimilar to preference shares, which are not.
3. Convertible preference shares are equity and rank behind all debt including the Existing Senior Unsecured Notes.
4. See description of preference shares terms in appendix B of transaction announcement.

Sources & Uses | Pro Forma Capitalisation

Recapitalisation decreases net debt by ~US$120m and increases pro-forma cash liquidity to ~US$240m

Sources[1]	US$m	Uses[1]	US$m
New Term Loan-Tranche A	120	Bank Revolver	38
New Term Loan-Tranche B	105	Sr. Secured Notes Tender Offer-par	105
Initial Equity Placement	6	Sr. Secured Notes Tender Offer-premium	8
Follow-On Equity Placement	21	Sr. Unsecured Note Equitisation	16
Rights Issue	84	Cash to Balance Sheet (pre fees)[2]	186
Sr. Unsecured Notes Equitisation	16		
Total Sources	**352**	**Total Uses**	**352**

Pro-Forma Capitalisation (Tender scenario)	30 June	Transaction announcement		Tender	Post	Conditional	Rights	Sr. Unsec. Notes	Pro-Forma	Maturity	Interest
US$m	2014	Debt	Equity	Offer	Refinance	Placement	Issue	Recapitalisation	Post Recap.		rate
Bank Revolver	38	(38)	-	-	-	-	-	-	-	Jul 2016	L + 475bps
Sr. Secured Notes	300	-	-	(105)	195	-	-	-	195	Oct 2018	10.0%
Sr. Unsecured Notes	300	-	-	-	300	-	-	(16)	284	Apr 2021	7.0%
New Term Loan - Tranche A	-	120	-	-	120	-	-	-	120	Oct 2020	12.0% A.I.[3]
New Term Loan - Tranche B	-	-	-	105	105	-	-	-	105	Oct 2018	12.0% A.I.[3]
Total Debt	**638**	**82**	**-**	**-**	**720**	**-**	**-**	**(16)**	**704**		
Initial Equity Placement	-	-	6	-	6	-	-	-	6		
Follow on Equity Placement	-	-	-	-	-	21	-	-	21		
Rights Issue	-	-	-	-	-	-	84	-	84		
Sr. Unsecured Notes Equitisation	-	-	-	-	-	-	-	16	16		
Total Equity	**-**	**-**	**6**	**-**	**6**	**21**	**84**	**16**	**127**		
Sr. Secured Notes Tender Premium	-	-	-	(8)	(8)	-	-	-	(8)		
Total Cash	**68**	**82**	**6**	**(8)**	**148**	**21**	**84**	**-**	**253**[2]		
Net debt	**570**	**-**	**(6)**	**8**	**572**	**(21)**	**(84)**	**(16)**	**451**		

Note: Company may replace up to US$50m of Tranche A with an ABL facility

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1. Sources and uses assumes transaction is executed at rights offer price of US$0.1350/share and that existing revolver balance is unchanged from 30 June 2014 balance.
2. Before transactions Costs and includes $US10.2m of restricted cash for letters of credit support.
3. Stands for Accretive Interest.

New Partnership and Governance Framework

Centerbridge committed to creating value for shareholders	• Partnership with Centerbridge and not a change of control • Centerbridge has significant experience working with boards and management teams on optimising businesses for through the cycle profitability • The Recapitalisation and Centerbridge's operational resources will benefit all of the Company's stakeholders • Centerbridge recognises Boart Longyear as a leading mineral exploration drilling services and products business and that the recapitalisation aims to provide a solid base for the Company to work towards its goal of sustaining profitability through the mineral exploration cycle
Board structure	• Board has appointed 1 additional Director from Centerbridge, increasing Board size to 10 directors • Upon shareholders approving the remaining recapitalisation transactions and completion of those transactions, Centerbridge will be granted additional board seats proportionate to their post-closing ownership of ordinary shares (including any ordinary shares that could be issued if all preference shares are converted) • Centerbridge's maximum board representation at closing may not equal or exceed half the board
Management team	• Board and Centerbridge are supportive of the current management team led by Richard O'Brien

Centerbridge is a committed long term partner that will work with the Board and management team to drive value for shareholders

Why the Independent Directors recommend this transaction to shareholders

Status Quo

Status quo is likely unsustainable

- Company requires financial flexibility to withstand current operating conditions until the drilling market returns
- Doing nothing is not an option, as the timing of any market recovery is highly uncertain and additional working capital will be required when a recovery occurs

Comprehensive Strategic Review

Strategic review process has been comprehensive and thorough with all viable options being considered:

- Sale of all or part of the Company
- Debt solutions
- Equity solutions
- Restructuring the debt
- Combinations of the above

All Options Considered

No other holistic solutions which provide comparable existing shareholder participation

- Other options arising from strategic review and considered by the Company either
  - Do not provide a comprehensive solution; or
  - Leave existing shareholders with significantly less upside and participation in the future of Boart Longyear

Centerbridge Proposal

Centerbridge recapitalisation is the best option to maximise shareholder value over time

- Significantly reduces liquidity risks facing the company today and in the future
- Provides infusion of both equity & debt capital to better sustain business through market recovery
- Existing shareholders can participate in future prospects of the Company alongside Centerbridge through the rights offer structure and at a discount to the price of Centerbridge's conditional placements

Independent Directors unanimously recommend that shareholders vote in favour of the resolutions required to give effect to the remaining Recapitalisation transactions[1]

1. In the absence of a superior proposal and subject to the Independent Expert, KPMG, opining that the Recapitalisation is reasonable to the Company's shareholders

Indicative Recapitalisation Timeline

Step 1 – October/November
(New Term Loan, Initial Equity Placement)

Step 2 – December/January
(Follow-on Placement, Rights Issue, Buy-Back, Preferred Shares, Bond Equitisation)

Company Announcements

- Recapitalisation announcement
- Implementation Agreement executed

- Issue Notice of Meeting

- Shareholder vote

- Announce Rights Offer/ Share Buy-Back

- Close Rights Offer
- Close Share Buy-Back
- Announce results of Rights Offer

Debt Issuance

- Centerbridge funds Term Loan-Tranche A; a portion of proceeds used to repay revolver banks

- Tender offer for up to US$105m par amount of the Company's Senior Secured Notes

- Tender offer closes
- Centerbridge funds Term Loan-Tranche B[1]
- Company issues up to US$50m asset based loan ("ABL")[2]

Conditional on shareholder approval

Equity Issuance / Board Changes

- Unconditional placement to Centerbridge
- 1 Centerbridge Board Director appointment

Transaction steps already completed as of today

- Conditional placement to Centerbridge
- Centerbridge pays premium on unconditional placement

- Issue shares to all investors under Rights Offer
- Centerbridge takes up any shortfall
- Equitisation of Centerbridge's unsecured notes
- Additional Centerbridge Board Directors appointments

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1. Size of Term Loan-Tranche B conditional upon par amount of Senior Secured Notes purchased/tendered, up to a maximum par amount of US$105m
2. Contingent on Company wishing to reduce, dollar-for-dollar up to US$50m, the Term Loan-Tranche A subject to thresholds being met related to the size of Term Loan-Tranche B

Recapitalisation repositions Boart Longyear for the longer term

- Provides a comprehensive capital structure solution ✓
- Provides liquidity that better positions the Company through the cycle ✓
- More flexible and longer-dated debt structure consistent with business needs ✓
- Meaningful reduction in net debt ✓
- Shareholders can participate or further invest alongside Centerbridge ✓
- Transaction implementation has commenced ✓

Quarterly Update

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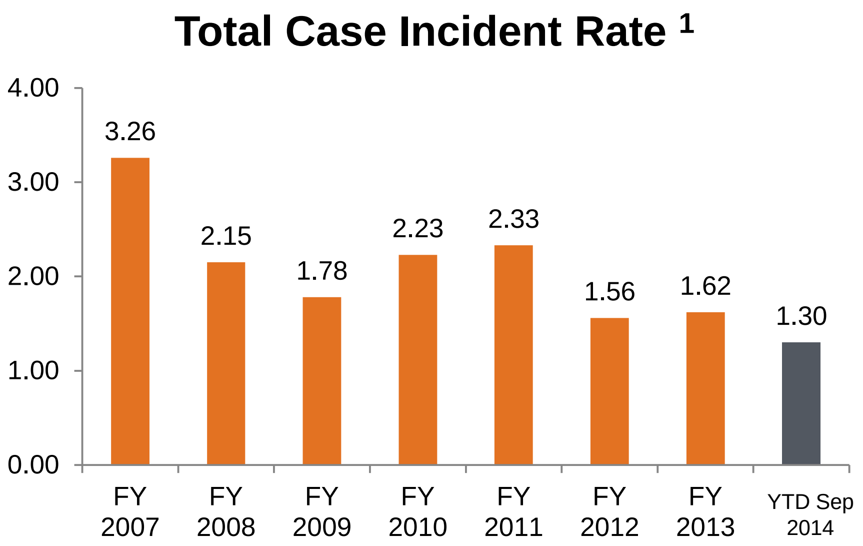
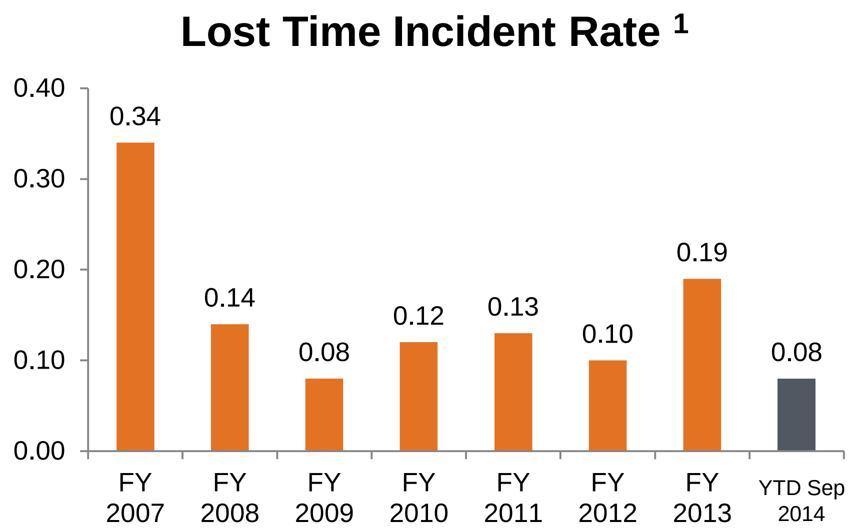
Safety & Environment

Our goal is adding 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.





[1]Per 200,000 work hours

- **Safety Performance**
  YTD reductions in Total Case Incident Rate (TCIR) and Lost Time Incident Rate (LTIR).
  Q3 increases in significant injury and near miss events prompt root cause analysis.
- **Proactive Safety Culture**
  Safety KPIs based on employee engagement, leadership and resolving high potential near miss events.
- **Driver Safety (In-Vehicle-Monitoring-System)**
  IVMS telematics units continue to contribute to a reduction in vehicle incident rates.
- **Safety Messaging Initiative**
  Make It Safe, Make It Personal, Make it Home concept developed internally and being delivered in 11 languages.

Safety performance tracking to achieve Global TCIR and LTIR Goals.

Third Quarter Comparative Information

All amounts in US$ (Millions) [1]	Third Quarter Ended 2014	Third Quarter Ended 2013	Third Quarter Ended 2012	Second Quarter Ended 2014
Total Company				
Revenue	239.3	279.5	513.6	224.1
EBITDA	12.3	(1.2)	88.8	(31.1)
Adjusted EBITDA [2]	15.9	18.8	89.2	14.9
NPAT	(38.3)	(39.4)	36.3	(114.7)
Adjusted NPAT [2]	(34.7)	(19.5)	36.7	(68.6)
Net Cash Flows Provided By (Used By) Operating Activities	10.1	36.1	(20.0)	(8.3)
Net Debt [3]	550.9	523.0	469.4	555.8
SG&A [4]	40.4	48.4	76.1	42.1
Headcount	5,984	6,020	10,970	5,871
Global Drilling Services				
Revenue	176.0	216.3	403.1	168.7
Adjusted EBITDA [2]	22.9	42.7	80.9	25.4
Average Operating Rigs (without E&I)	382	388	572	366
Average Rig Utilisation	40%	37%	57%	39%
Average # of Drill Rigs (with E&I)	950	1,037	1,176	945
Average # of Drill Rigs (without E&I)	950	1,037	996	945
Headcount	4,220	4,737	8,841	4,130
Global Products				
Revenue	63.3	63.2	110.5	55.4
Adjusted EBITDA [2]	7.0	(8.2)	27.0	5.0
Average Backlog	20.3	19.8	48.5	16.9
Headcount [5]	1,416	899	1,467	1,382

Positives

- Drilling services for underground and large rotary have remained stable, albeit at a low level, over the last year
- Overall demand, in both Products and Drilling Services, appears to be stabilising
- Cost/productivity improvements partially offsetting price
- Targeted R&D investment continues
- Key Drilling Services project wins in 2014
- Ability to fulfill most customer orders with existing stock
- Improved rig utilisation in Q3 2014

Challenges

- Commodity prices remain depressed relative to recent price levels
- Global rig utilisation near historic lows
- Pricing pressure continues in Drilling Services
- Mining companies continue to focus on cost reductions

Note: All quarterly data have not been subject to review or audit by the Company's external auditors.

[1] Except headcount, utilisation and rigs. Figures are period end, except where averages are indicated.

[2] Adjusted EBITDA and Adjusted NPAT are non-IFRS measures and are used internally by management to assess the performance of the business and have been derived from the Company's financial results by adding back charges relating to restructuring and impairments.

[3] Excludes contingent liabilities.

[4] Includes both direct and indirect SG&A.

[5] Increase in Global Products employees in 2014 due to consolidation of maintenance and supply chain operations into the Global Products division in 1Q2014.

Conclusion

BOART LONGYEAR™

We are committed to a sustainable business model based on financial discipline and customer focus

1 Valuable Franchise

- Safety leaders in the industry
- Drilling Services provider of choice for major mines
- Innovation leaders driving safety and productivity on site

2 Right Path Forward

- Focused on cash returns on capital
- Expand margins through disciplined cost of goods sold and SG&A spending
- Disciplined capital spending

3 Improved Liquidity

- Focus on quicker cash conversion on inventory
- Rigor around accounts receivable and DSO's
- Reduce net debt levels over time

We look forward to celebrating our 125th anniversary in 2015




BOART LONGYEAR™

ONE SOURCE

DRILLING SERVICES | DRILLING EQUIPMENT | PERFORMANCE TOOLING

for Mining and Drilling Companies Globally

Appendix

YTD September 2014 Operations

Global Products – Markets appear to be stabilising with order backlog and other leading indicators improving

(US$M)	YTD Sep '14	YTD Sep '13	Change Fav/(Unfav)	
			$	%
Revenue	176.5	244.4	(67.9)	(27.8%)
COGS	130.6	189.9	59.3	31.2%
SG&A	41.8	51.7	9.9	19.1%
EBITDA	12.9	13.5	(0.6)	(4.4%)
EBITDA as a % of Revenue	*7.3%*	*5.5%*	*NA*	*NA*

Note: Financial information has not been reviewed or audited.

Key Performance Indicators	YTD Sep '14	YTD Sep '13	Change Fav/(Unfav)	
			Quantum	%
Average Backlog	17.5	31.5	(14.0)	(44.4%)
Headcount (30 Sep) [1]	1,416	899	(517)	(36.5%)

- Low single-digit price decline from Sep 2013 to Sep 2014; stabilised during Q3 2014
- EBITDA, while down September 2014 relative to 2013, is improving on a monthly basis throughout 2014 as a result of better fixed cost absorption
- Surface coring continues to be slow; underground steady
- Slight upward trend in order backlog throughout 2014
- R&D investment focused on production drilling opportunities & incremental improvements to enhance productivity

1. Increase in Global Products employees is due to the consolidation of maintenance and supply chain operations into the Global Products division.

YTD September 2014 Operations

Drilling Services – Operating rigs stabilising, pricing pressure continues

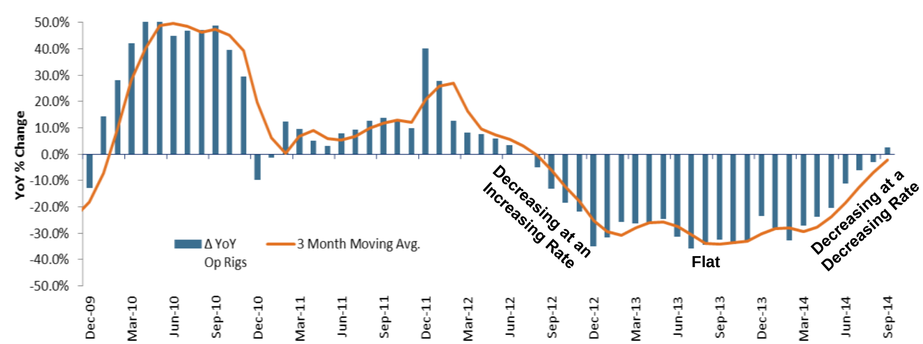
(US$M)	YTD Sep '14	YTD Sep '13	Change Fav/(Unfav)	
			$	%
Revenue	484.3	754.0	(269.7)	(35.8%)
COGS	440.1	630.5	190.4	30.2%
SG&A	42.2	68.4	26.2	38.3%
EBITDA	59.5	126.3	(66.8)	(5.3%)
EBITDA as a % of Revenue	*12.3%*	*16.8%*	*NA*	*NA*

Note: Financial information has not been reviewed or audited.

Key Performance Indicators	YTD Sep '14	YTD Sep '13	Change Fav/(Unfav)	
			Quantum	%
Average Operating Rigs (without E&I)	350	444	(94)	(21.1%)
Average Rig Utilisation	36.9%	48.5%	(11.6%)	NA
Average # of Drill Rigs (with E&I)	948	1,108	(160)	(14.4%)
Average # of Drill Rigs (without E&I)	948	1,039	(91)	(8.8%)
Headcount (30 Sep)	4,180	4,768	588	12.3%

- Revenue down ~60% from 2012 and down ~36% from 2013 levels
- Average Rig Utilisation down ~12 percentage points Sept YTD 2014 vs Sept YTD 2013 and appears to be stable, near October 2013 run rates
- Pricing down low to mid-teens (in percentage terms)
- Cost/productivity improvements partially offsetting price

Year over Year % Change in Drilling Services Operating Rigs



Shareholder decisions[1]

Indicative timeline

Company announcement / event

- **23 Oct**
  - Announce Recapitalization Proposal
- **21 Nov**
  - Notice of Meeting (including Explanatory Statement and Independent Expert's Report) dispatched to shareholders
- **20 Dec**
  - **Record Date for shareholder vote**
- **22 Dec**
  - Shareholder meeting
- **23 Dec**
  - Announce Rights Issue / buy-back
- **31 Dec**
  - **Record Date for rights offer/buy-back**
- **Rights trade (30 Dec - 8 Jan)**
- **22 Jan**
  - Close rights offer
  - Close Buy-Back
  - Announce results of offer

If shareholder approval is obtained

Shareholder action

1
- No immediate decision required

2
- Shareholders strongly encouraged to read these documents carefully

3
- Vote in favour or against the resolutions
- Do nothing

4
- Exercise rights
- Sell rights
- Accept buy-back offer
- Do nothing

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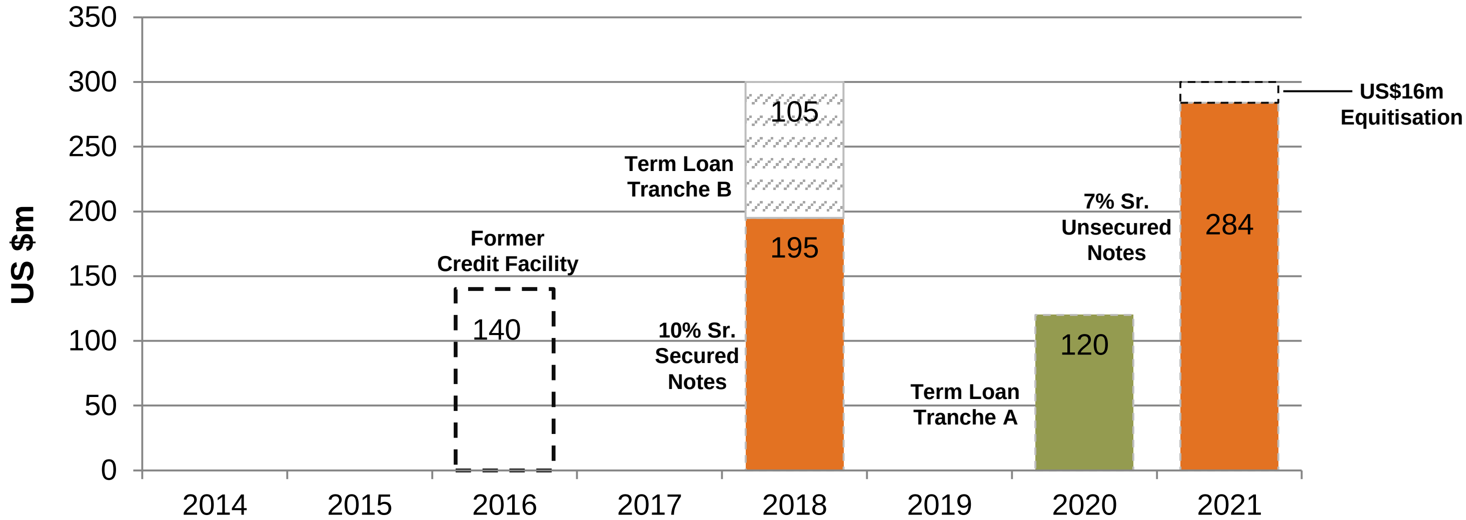
1. This is not a complete list of all options available to shareholders. For example, shareholders may wish to acquire additional shares on market (either before or after the record date) or sell their shares on market. Shareholders should seek independent legal, accounting, financial or tax advice.

Revised debt maturity profile



Note: Company may replace up to US$50m of Tranche A with an ABL facility

Key changes

- Term Loan – tranche A replaces former credit facility and extends maturity to October 2020
- Term Loan – tranche B replaces a like amount of 10% Senior Secured Notes (amount contingent on number of notes tendered), but with accretive interest to improve liquidity
- Accretive Interest - Guaranteed by an unrestricted subsidiary with a fair market value of approximately US$44 million
- Exchanging US$16m of Senior Unsecured Notes for US$16m of equity (represents Centerbridge held notes)

New Term Loan

Covenants and Events of Default[1]

Key Covenants

- Restrictions on incurrence of indebtedness/guarantees
- Restrictions on capital expenditure
- Restrictions on permitted dispositions, acquisitions, restricted payments, mergers, consolidations and other material corporate transactions
- Obligors account for at least 60% of the EBITDA of the Group and 60% of total tangible assets of the Group

Key Events of Default

- Failure to comply with covenants
- Cross-default provisions to other permitted indebtedness
- Reduction of capital (including share repurchase) which would result in capitalisation ratio (total debt / total debt + shareholder's equity) in excess of 60%
- Breach of the Implementation Agreement

The New Term Loan provides improved flexibility (no financial maintenance covenants)

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1. Refer to Appendix B in the recapitalisation announcement for more information

Convertible Preference Shares

If required, Centerbridge will receive any equity it would otherwise receive above 49.9% voting power, in the form of preference shares

Issuer	• Boart Longyear Ltd
Number issued	• The number of Convertible Preference Shares issued will depend on the extent to which implementation of the proposed transactions would otherwise give Centerbridge beneficial ownership of more than 49.9% of the voting power of the Company's voting stock %
Preferential Dividend	• Non-cumulative preferential dividend calculated at 5% of the issue price, payable semi-annually, subject to Board determination
Conversion Price / Convertible Price Mechanism	• Conversion terms will include a restriction on conversion to ordinary shares to the extent such conversion would result in Centerbridge beneficially owning r in excess of 49.9% of the voting power of the Company's voting stock.
	• The Conversion Rate is 1:1, and may be adjusted from time to time if there is a consolidation or sub-division of ordinary shares or a reconstruction of ordinary share capital. In such cases the Conversion Rate is to be adjusted, by resolution of the Board, so that each Convertible Preference Share holder is in no better or worse position as a result of such consolidation, sub-division or reconstruction, such adjustment to become effective immediately after such consolidation, sub-division or reconstruction.
	• Convertible Preference Shares are convertible at any time by the holder and must be converted to ordinary shares if not prevented by the 49.9% Restriction.

Convertible Preference Shares (cont'd)

If required, Centerbridge will receive any equity it would otherwise receive above 49.9% voting power, in the form of preference shares

Rights on a winding up	• Winding up, cash in priority to any other class of shares, equal to the aggregate of the per share price and any accrued dividends which are unpaid. A Convertible Preference Share does not confer on the holder any further rights to participate in assets or profits of the Company.
Assignability	• The Preference Shares are not transferable except to Centerbridge or any of its associates, or related funds of Centerbridge or its associates.
Voting Rights	• Holders of Convertible Preference Share will have the same rights as the holders of ordinary shares to receive notices, reports and accounts and to attend and be heard at all general meetings of the Company, but will not have the right to vote at general meetings except as described below. • Convertible Preference Share holders may vote: • on any question considered at a meeting if, at the date of the meeting, the dividend that is owed on Convertible Preference Share is in arrears; • on a proposal to reduce the share capital of the Company; • on a proposal that affects rights attached to Convertible Preference Share; • on a proposal to wind up the Company; or • on a proposal for the disposal of the whole of the property, business and undertaking of the Company; • on a resolution to approve the terms of a buy-back agreement; and • on any question considered at a meeting held during the winding up of the Company. • However, the holders of Convertible Preference Shares will not, in any circumstances, be entitled to vote in the election of any director to the Board, or managers or trustees thereof.