

1 September 2017

Implementation of the Recapitalisation

Boart Longyear Limited (**ASX:BLY**) (**Boart Longyear** or **Company**) is pleased to announce that the key components of the Recapitalisation have been implemented today, including the following:

Reduction of debt

- The US\$284 million outstanding principal amount of the Company's 7% Unsecured Notes due 2021 (**7% Unsecured Notes**) plus accrued and unpaid interest has been reduced by US\$196 million in exchange for the issue of 9,840,265,064 fully paid ordinary shares in the Company (**Shares**) and 1,958,757,192 7% Warrants to the holders of the 7% Unsecured Notes.
- The remaining US\$88 million principal of the 7% Unsecured Notes has been reinstated with an interest rate of 1.5% per annum, which is payable-in-kind until maturity (**1.5% Unsecured Notes**).

Improvement in liquidity

- Interest on all debt facilities (excluding the ABL) may be paid in kind (rather than cash) at the Company's election until December 2018.
- The 10% senior secured notes due 2018 (**10% Secured Notes**) have been exchanged for the same principal amount of 12%/10% senior secured notes due 2022 (**12%/10% Secured Notes**), payable-in-kind at an interest rate of 12% per annum at the Company's election until December 2018 and thereafter in cash at the reduced interest rate of 10% per annum.
- Interest on Term Loans A and B is reduced from 12% to 10% payable-in-kind through to December 2018 and 8% payable-in-kind thereafter in consideration of the issue to Centerbridge of 12,385,854,284 Shares.
- The Company will also shortly draw down on new asset backed loan (**ABL**) and backstop term loan facilities (**Backstop ABL**) with not less than US\$75 million of aggregate available funds at closing, which replace the existing asset backed loan facility from PNC Bank and the short-term Delayed Draw Term Loan and Second-Out ABL facilities.

Extend debt maturities

- Maturities on existing debt (Term Loans A and B, the 12%/10% Secured Notes and the 1.5% Unsecured Notes) have been extended until December 2022.

Other

- The Company has issued 984,026,482 Shares to the holders of the 10% Secured Notes.
- Centerbridge has converted its 434,001,968 Convertible Preference Shares into 434,001,968 Shares.

Board changes

As previously announced to the market, changes to the board of the Company (**Board**) also take effect today. Mr Bret Clayton, Mr Peter Day, Mr Jeffrey Long, Mr Rex McLennan, Ms Deborah O'Toole and Mr Conor Tochilin have resigned from the Board, and the Company welcomes Mr Kyle Cruz, Mr Lawrence First, Mr Jason Ireland, Mr. Matthew Sheahan, Mr Rob Smith and Mr Richard Wallman to the Board. A separate announcement concerning the Board changes and detailing the backgrounds and qualifications of the new directors is being lodged concurrently with ASX.

Ordinary Warrants

As announced to ASX on 24 August 2017, eligible shareholders will be issued with Ordinary Warrants on or about 13 September 2017. Boart Longyear is pleased to announce the exercise price for the Ordinary Warrants will be A\$0.021 per Ordinary Warrant, calculated in accordance with the formula set out in the prospectus dated 24 August 2017 (**Prospectus**). Shareholders eligible for the Ordinary Warrants will shortly receive a Prospectus.

Share Purchase Plan

The Company's previously announced Share Purchase Plan (**SPP**) is scheduled to open on or about 4 September 2017. Under the SPP, eligible shareholders will be offered the opportunity to subscribe for up to a total of A\$5,000 worth of Shares at a price per share of A\$0.02. The total amount to be raised by the Company under the SPP is capped at A\$9 million. Shareholders eligible to participate in the SPP will shortly receive a Share Purchase Plan Booklet.

Additional information about the changes resulting from the Recapitalisation may be found in the Company's recent ASX releases, including the announcement of Recapitalisation dated 3 April 2017 and the 9 August 2017 announcement of the settlement reached with certain holders of the 10% Secured Notes.

Disclaimer

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