TruScan™ Prototype

1H 2017 Results

August 2017

Jeff Olsen – CEO

BOART LONGYEAR™

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Footnotes referred to throughout presentation are described on slide 26

1H 2017 Summary

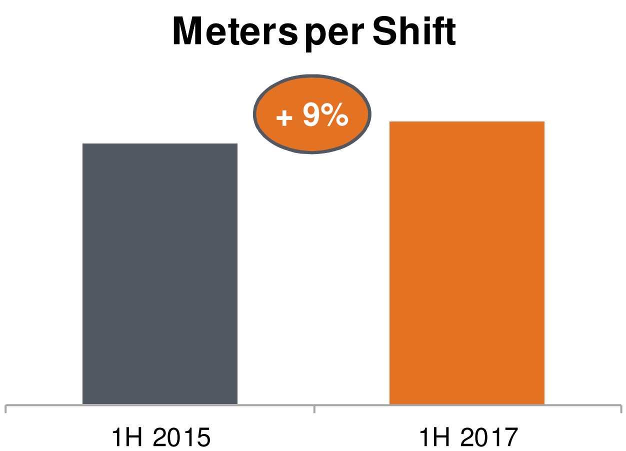
(Results compared to 1H 2016, except as otherwise indicated)

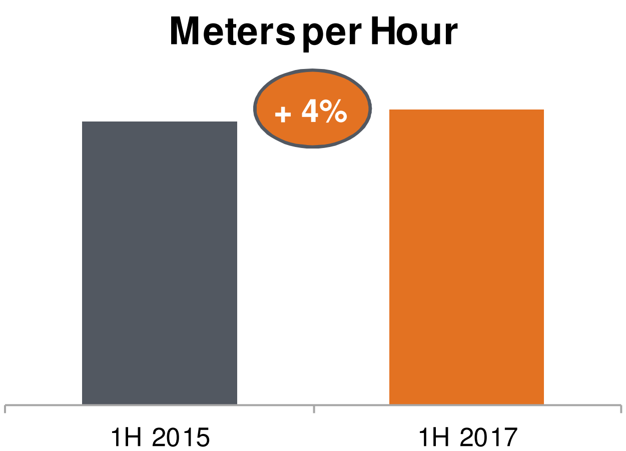
- **Safety[1]**
  - Lost time incident rate (LTIR) at 0.12 – in line w/ low level of FY 2016 – reflects success at mitigating significant risks
  - Moderate increase in total case incident rate (TCIR) – still among the lowest in the industry at 1.89
  - No fatalities
- **Adjusted EBITDA**
  - Up $8 million (58%) on revenue increase of $46 million (15%)
  - Adjusted SG&A down $1 million (2%) even with revenue increase
- **Cash from Operating Activities**
  - $15 million (20%) improvement vs. 1H 2016
- **Productivity**
  - Significant improvements since start of program in 2015 – 9% improvement in meters per shift
  - Productivity initiative is a process of continuous improvement
  - Moving from a “business initiative” to an “operating system” – engrained in the company culture
- **Business Environment**
  - Gold up 16% since January 2016 – Gold represented 58% of Drilling Services revenue in 1H 2017
  - Copper up 29% since January 2016 – Copper represented 18% of Drilling Services revenue in 1H 2017
  - Equity raisings by junior miners at strongest levels since 2012
- **Recapitalisation**
  - Creditors’ schemes approved by Australian court and expected to be implemented in early September
  - Will reduce debt, improve liquidity and extend debt maturities

Drilling Services Productivity Initiative Update

Shift Productivity

Drill Rate



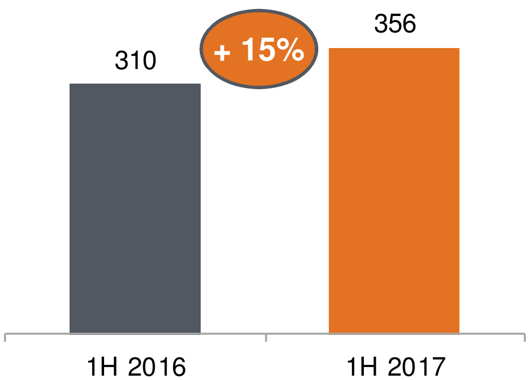


- Becoming more granular in the elements we track and report on
- Making driller-level performance data more visible at the site level
- Improving driller development programs – elevating performance of bottom quartile drillers
- Implementing proprietary technologies at drill sites to improve productivity

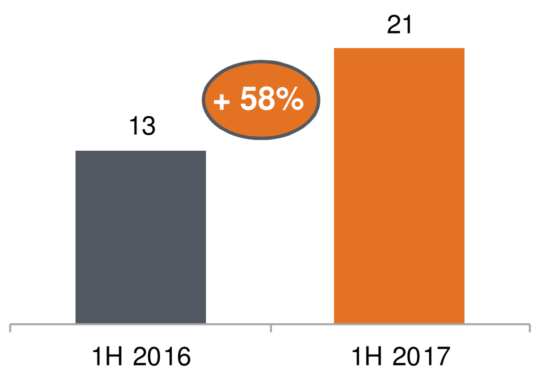
Productivity initiative driving measurable improvements with customers

Productivity & tight cost control driving significant improvement in profitability on higher revenue

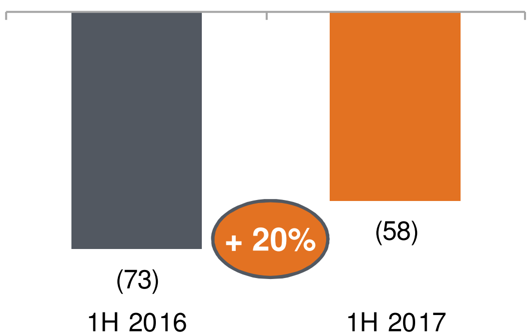
Revenue



Adjusted EBITDA[2]



Cash from Operating Activities



Significant margin and cash improvement on higher revenue

Becoming a data provider, not just a driller

Today

- Data acquisition done by third parties at our rigs
- Assay done off-site
- Slow, costly and not user-friendly for our customers

Future

- Core orientation, core logging, survey and assay all done by our crews at the rig
- Direct data feed into customer databases
- Instantaneous, low-cost and user-friendly

Status




TruCore™	(Core Orientation)	Successfully launched in 2015
TruShot™	(Down-hole Survey)	Rolling out soon in Australia
TruProbe™	(Down-hole Geophysics)	Field testing and working well
TruScan™	(On-site Assay)	Field testing and working well

LF™160 and Freedom™ Loader

Financial Overview

Brendan Ryan – CFO

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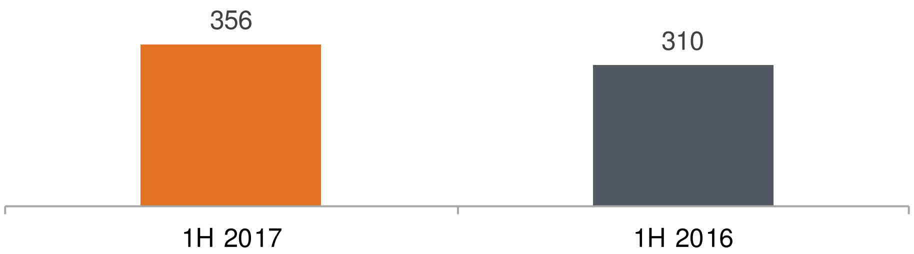
Consolidated Results Summary: 1H 2017

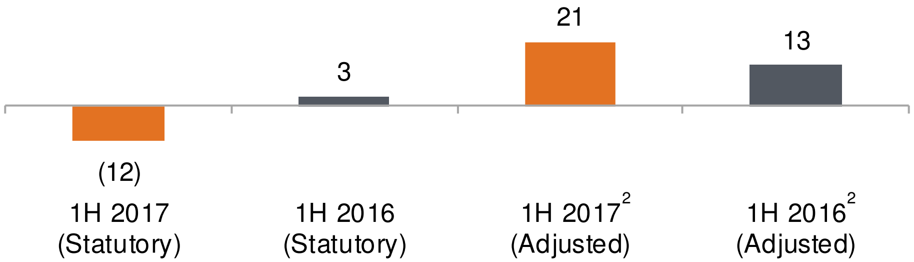
(US $M)

Revenue



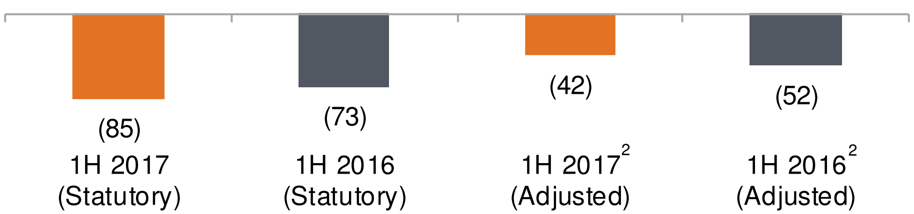
- Revenue up 15% driven by higher volume
- Uptick in coring activity driven by increased exploration
- Bidding activity remains robust

EBITDA



- Adjusted EBITDA up 58% driven by effective cost control and increased productivity
- Adjusted SG&A down 2% despite significant revenue increase

Net Profit After Tax



- $10M improvement in adjusted NPAT
- No dividend to be paid

Year-Over-Year Comparison

Statutory			
(US $M except EPS)	1H 2017	1H 2016	Change Fav / (Unfav)
Revenue	356	310	15%
Gross Margin	51	39	31%
GM as % of Revenue	*14%*	*13%*	
Operating Margin	(39)	(30)	-30%
OM as % of Revenue	*-11%*	*-10%*	
EBITDA	(12)	3	NMF
EBITDA as % of Revenue	*-3%*	*1%*	
NPAT	(85)	(73)	-16%
NPAT as % of Revenue	*-24%*	*-24%*	
EPS (cents)	(9.1)	(7.8)	-17%

Adjusted[2]			
(US $M)	1H 2017	1H 2016	Change Fav / (Unfav)
Revenue	356	310	15%
Adjusted Gross Margin	53	40	32%
Adj. GM as % of Revenue	*15%*	*13%*	
Adjusted Operating Margin	(5)	(19)	73%
Adj. OM as % of Revenue	*-1%*	*-6%*	
Adjusted EBITDA	21	13	58%
Adj. EBITDA as % of Revenue	*6%*	*4%*	
Adjusted NPAT	(42)	(52)	20%
Adj. NPAT as % of Revenue	*-12%*	*-17%*	

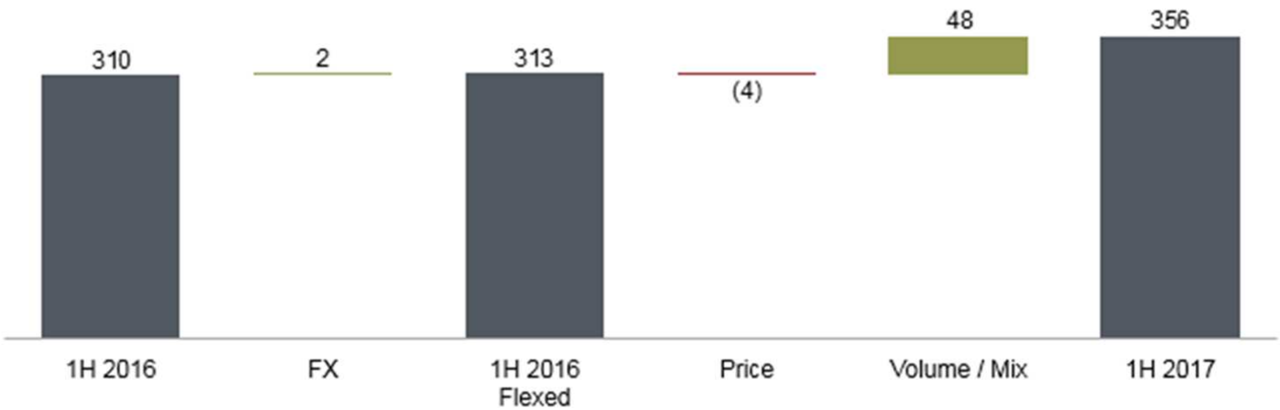
Tight cost control and productivity initiatives are driving margin improvement

Consolidated Overview: 1H 2017

Significant improvements in volume and productivity

(US $M)

Consolidated Revenue Bridge

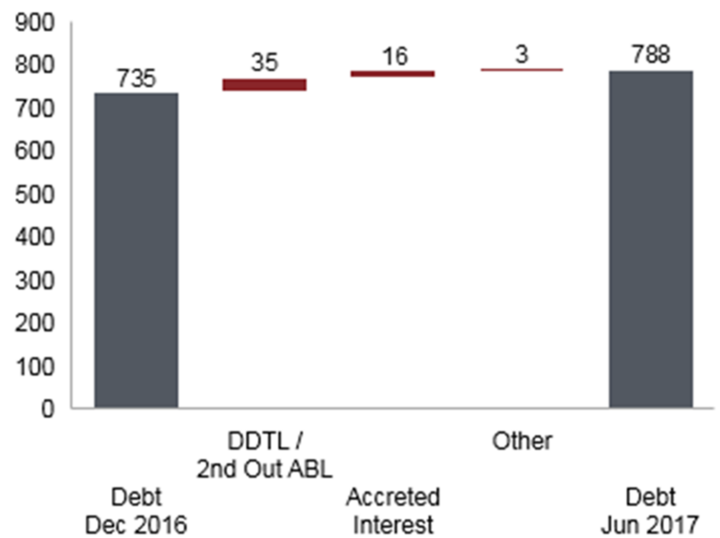


Consolidated Adjusted EBITDA[2] Bridge

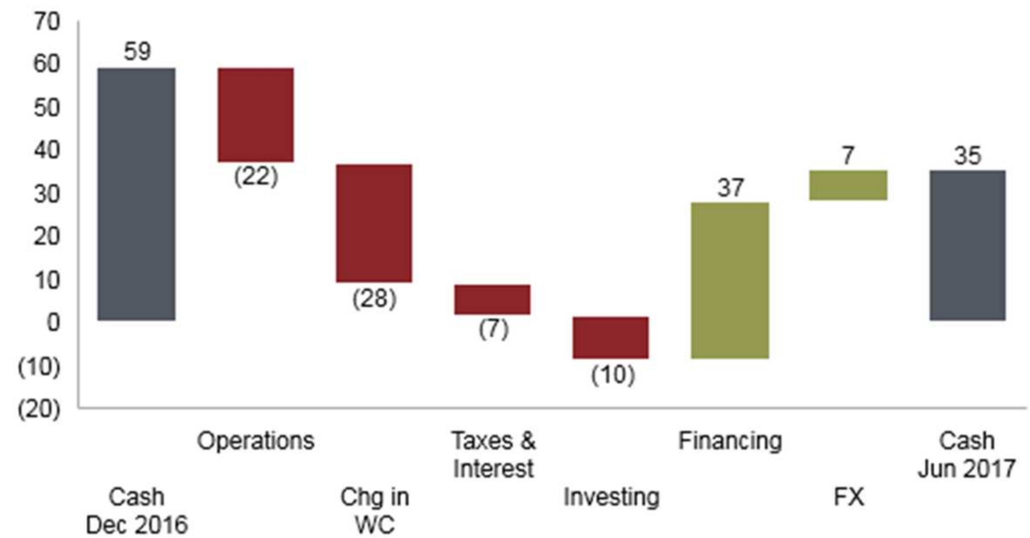
Debt and Cash Bridges

(US $M)

Gross Debt



Cash



- Working capital build in 1H 2017 consistent with seasonality of business
- Improved working capital profile vs. 1H 2016 – ($37M increase in 1H 2016 vs. $28M increase in 1H 2017)
- Total cash as of 30 June 2017 was $35 million – expected to increase in the second half of 2017 and then decrease in the first half of 2018 in line with typical seasonality


Drill Site in Nevada, USA

Business Overview
Jeff Olsen – CEO

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Drilling Services: 1H 2017 Operations

Significant improvement in revenue and profitability

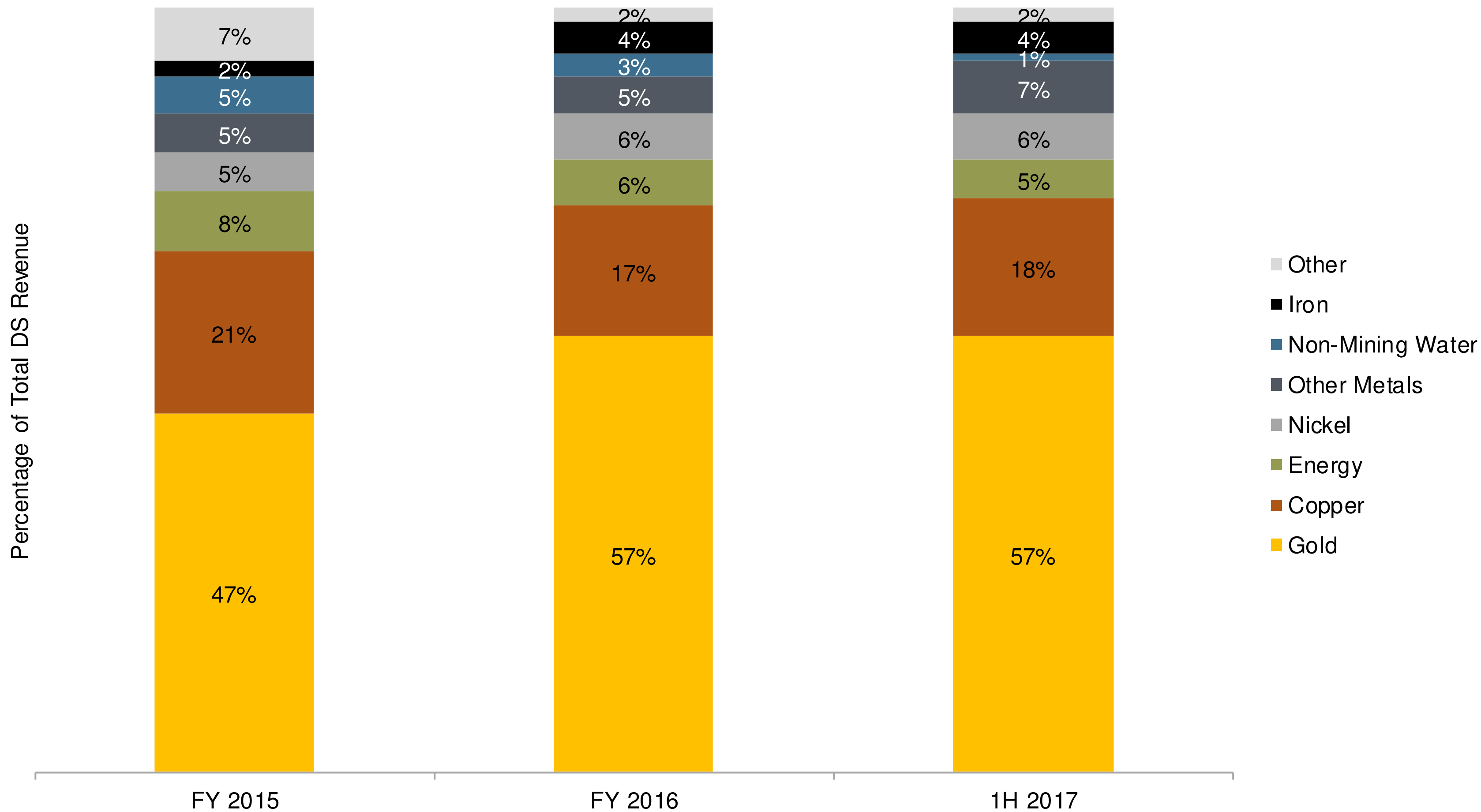
Key Financials (US $M):	1H 2017	1H 2016	Change Fav / (Unfav)
Revenue	241	220	10%
COGS	209	200	-5%
SG&A	15	16	11%
EBITDA	34	23	47%
EBITDA as % of Revenue	*14%*	*11%*	

Key Performance Indicators	1H 2017	1H 2016	Change Fav / (Unfav)
Average Operating Rigs[3]	300	279	8%
Headcount (period-end)	3,338	3,349	0%

- Revenue up 10% driven by volume
- SG&A down by $1M despite revenue increase
- EBITDA up 47% on revenue increase of 10% driven by improved productivity and lower costs

Drilling Services: Revenue by Commodity

Gold and copper drive bulk of revenue



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Global Products: 1H 2017 Operations

Significant improvement in revenue and order backlog

Key Financials (US $M):	1H 2017	1H 2016	Change Fav / (Unfav)
Revenue	115	91	26%
COGS	94	70	-33%
SG&A	19	18	-2%
EBITDA	6	6	-7%
EBITDA as % of Revenue	*5%*	*7%*	
Pro Forma[4] Revenue (US $M)	**1H 2017**	**1H 2016**	**Change Fav / (Unfav)**
Sales to BLY Drilling Services	27	30	-11%
Pro Forma Revenue	142	121	17%

Key Performance Indicators	1H 2017	1H 2016	Change Fav / (Unfav)
Average Backlog (US $M)	23	13	73%
Headcount (period-end)	983	960	-2%

- Revenue up 26% driven by volume
- Order backlog up significantly – positive leading indicator
- EBITDA flat due to one-time, non-recurring items (up 56% net of these items)

Recapitalisation Nearing Completion

Recapitalisation Summary

- Implementation expected in early September
  - The court in Australia has approved the creditors' schemes of arrangement
  - Share purchase plan and other recapitalisation components expected to complete in September
- Recapitalisation achieves the following objectives:
  - **Reduce Debt**
    - $196M (in principal) of existing 7% unsecured notes will be converted to equity (and warrants issued)
    - Remaining $88M (in principal) of unsecured notes will be reinstated with interest rate of 1.5% payable-in-kind
  - **Improve Liquidity**
    - New $75M PNC Asset Backed Loan and Backstop Term Loan Facility provide BLY w/ $35M of additional debt capacity
    - Until December 2018, interest on all debt facilities (excluding ABL) may be paid-in-kind rather than in cash. Thereafter, interest on the 10% secured notes will be paid in cash.
    - Paid-in-kind interest on Term Loans A and B will be reduced from 12% to 10% through 2018 and to 8% thereafter
  - **Extend Debt Maturities**
    - Maturities on existing debt (Term Loans, 10% notes & 7% notes) will be extended to Dec 2022
- Key features for shareholders include:
  - Share purchase plan offers eligible shareholders the opportunity to subscribe for up to A$5,000 worth of shares at a price of A$.02 per share (up to max of A$9M)
  - Eligible shareholders (primarily in Australia and New Zealand) will be issued ordinary warrants

LF™350 Deep Hole Rig and Freedom™ Loader

Conclusion

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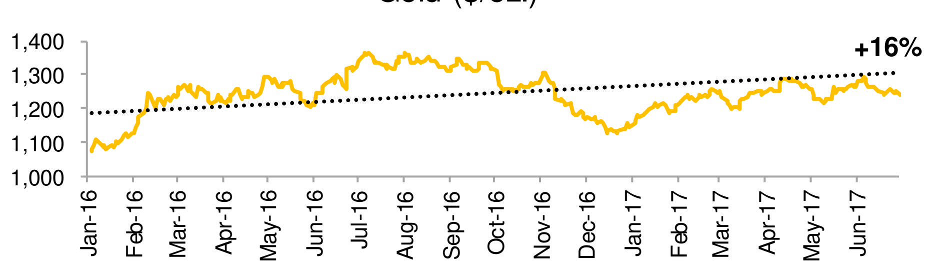
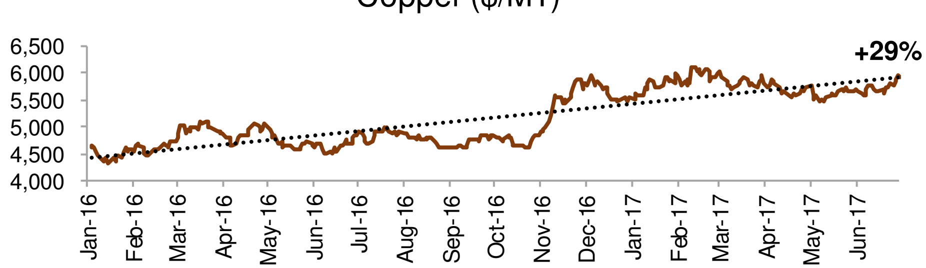
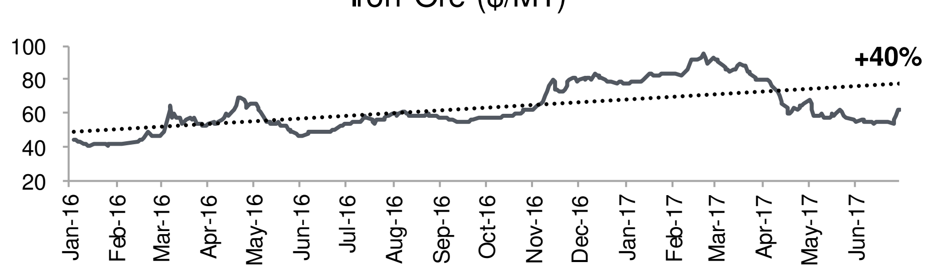
Positive signs in recent commodity trends as well as mining equities & junior equity raisings

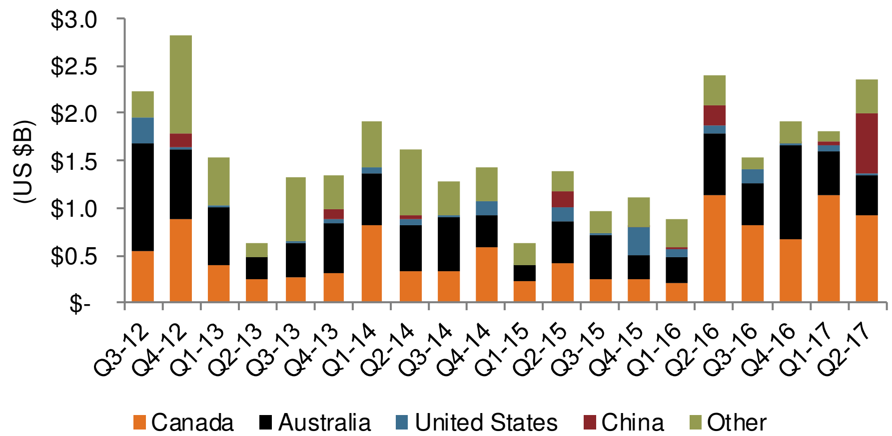
Recent Commodity Trends (since Jan-16)



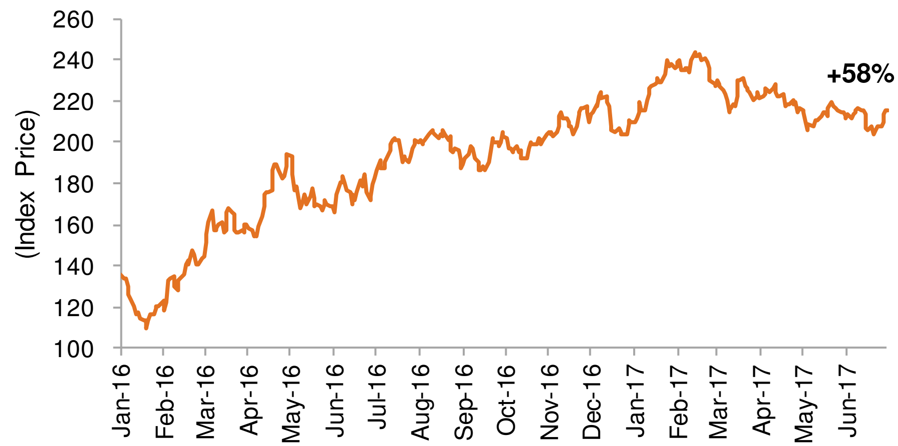




Equity Raisings by Juniors



MSCI World Metals & Mining Index



We remain committed to our Strategic Priorities

- **Safety**
  - Continue to be an industry leader
  - Reduce TCIR and LTIR
- **Operations**
  - Continue to improve on the productivity gains we have made in the last year
- **Technology**
  - Focused on acquiring data from our drill holes and delivering to customers in a faster, lower-cost and user-friendly format
- **Cash / Debt**
  - Be cash positive in 2017 (before professional fees and severance costs) through better operating performance and an improving market
  - Improve capital structure in a way that balances the interests of all stakeholders – achieved via the completion of the recapitalisation

Questions?

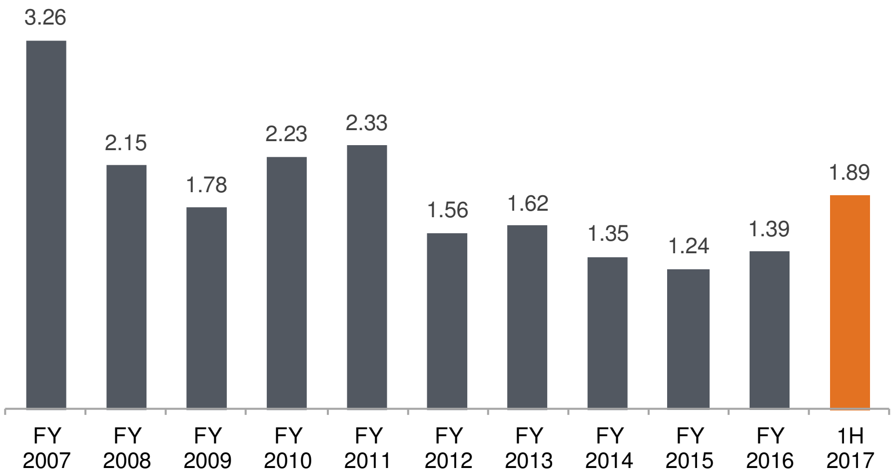
TruScan™ Core Orientation Unit

Appendix

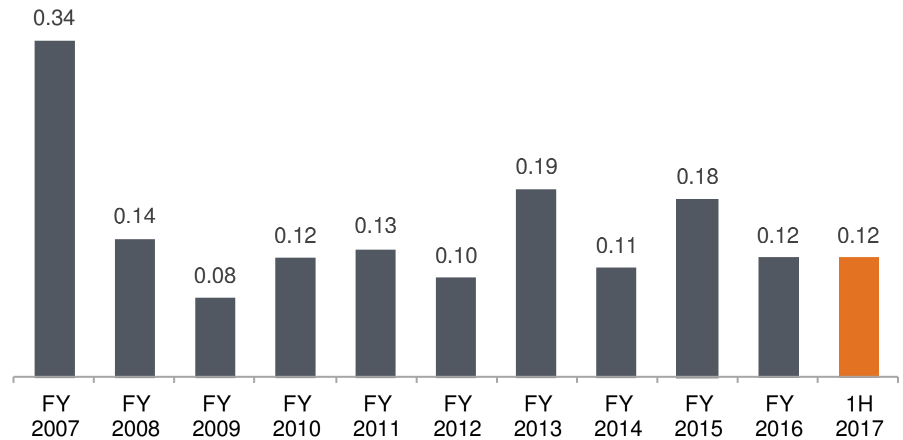
Safety & Environment

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[1]



Lost Time Incident Rate[1]



- **Safety Performance**
  - Improvement in lost time incident rate
  - Moderate increase in total case incident rate
  - No fatalities
- **Proactive Safety Culture**
  - Focused field leadership interactions with field employees and other initiatives covering significant areas of risk
- **Continual Improvement**
  - Focus on significant incident root cause analysis and corrective actions, supported by operations-centric incident reviews

BOART LONGYEAR make it SAFE make it Personal make it HOME EST 1890

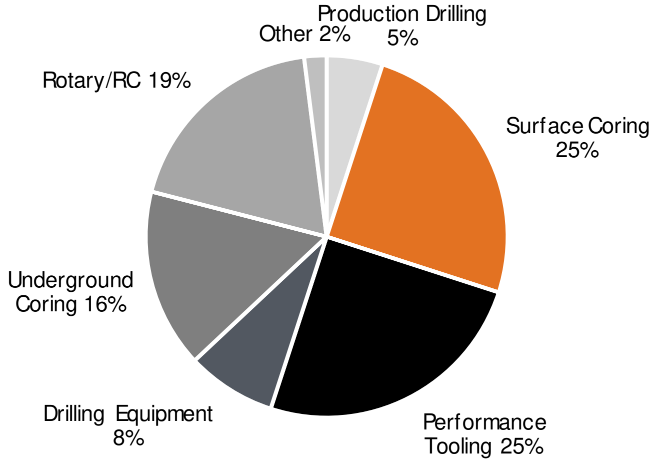
Improvement in lost time safety performance in 1H 2017 and no fatalities

Key Performance Indicators by Quarter

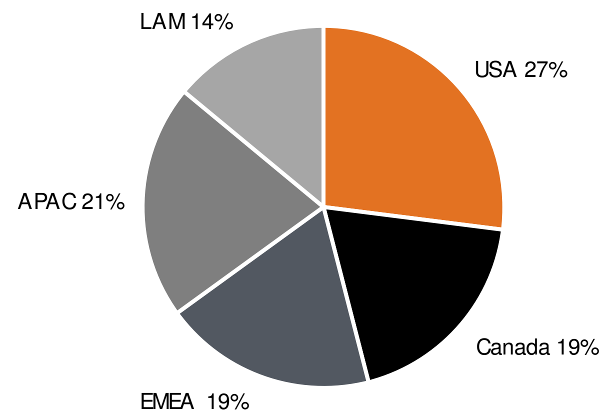
	Quarters ended 2017		Quarters ended 2016				Quarters ended 2015			
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total Company										
Revenue (US$ millions)	192.5	163.7	156.9	175.0	168.7	141.8	160.9	186.8	200.3	187.2
EBITDA (US$ millions)	(7.6)	(4.4)	(15.3)	13.8	15.5	(12.4)	(75.2)	(0.7)	(25.2)	(14.2)
Adjusted EBITDA (US$ millions)	12.8	8.6	1.3	17.2	19.8	(6.3)	(4.9)	3.1	11.2	(9.5)
Operating Loss	(16.9)	(21.8)	(25.5)	(5.5)	3.4	(33.2)	(90.4)	(24.8)	(44.6)	(39.4)
(Loss) Profit from Trading Activities	7.4	(8.5)	(7.7)	(0.8)	7.8	(23.2)	(10.3)	(7.7)	(3.6)	(24.2)
Net cash flows (used in) provided by operating activities	(18.3)	(39.4)	5.5	16.6	(22.5)	(50.0)	28.2	2.0	(10.2)	(74.9)
Net Debt (US$ millions)	753.2	718.4	675.8	674.3	670.1	639.6	576.4	554.6	556.1	538.1
Adjusted SG&A (US$ millions)	27.2	27.4	28.7	28.1	28.9	27.0	28.3	31.0	32.5	30.6
# of employees	4,636	4,444	4,337	4,626	4,629	4,611	4,725	5,089	5,151	5,537
Global Drilling Services										
Revenue (US$ millions)	134.1	107.3	104.5	123.7	122.2	97.3	111.3	135.4	145.1	136.1
EBITDA (US$ millions)	23.8	10.5	8.2	20.0	21.5	1.9	3.0	15.8	18.1	4.0
Average # of drill rigs	718	739	878	878	889	911	914	917	921	933
Average rig utilisation	45%	37%	32%	35%	34%	28%	33%	37%	38%	35%
# of employees	3,338	3,146	3,011	3,307	3,349	3,300	3,127	3,420	3,478	3,833
Global Products										
Revenue (US$ millions)	58.4	56.4	52.4	51.3	46.5	44.5	49.6	51.4	55.2	51.1
EBITDA (US$ millions)	(0.1)	5.8	2.1	5.2	4.3	1.8	4.0	3.4	4.5	2.6
Average backlog (US$ millions)	23.7	21.7	19.3	12.8	11.3	14.9	13.3	16.7	18.4	18.9
# of employees 1	983	974	1,001	988	960	974	1,258	1,314	1,321	1,338

Diversified End-Market Exposure

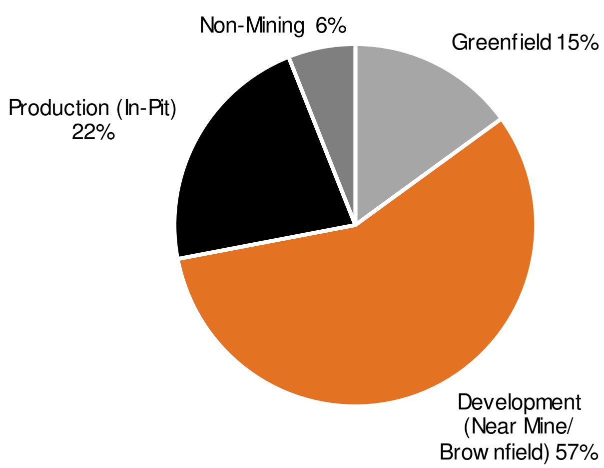
1H 2017 Total Revenue by Type – Products & Services



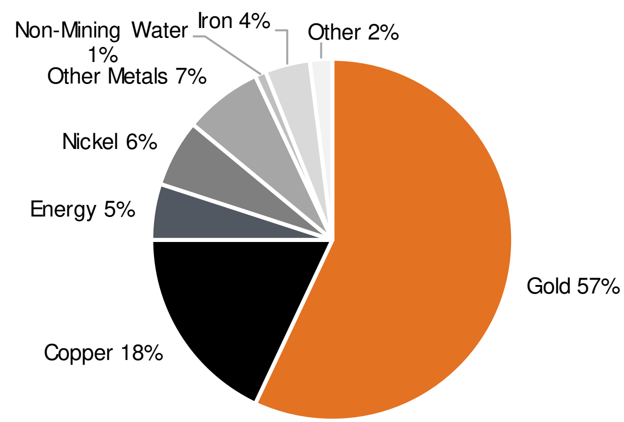
1H 2017 Total Revenue by Region – Products & Services



1H 2017 Drilling Services Revenue by Stage



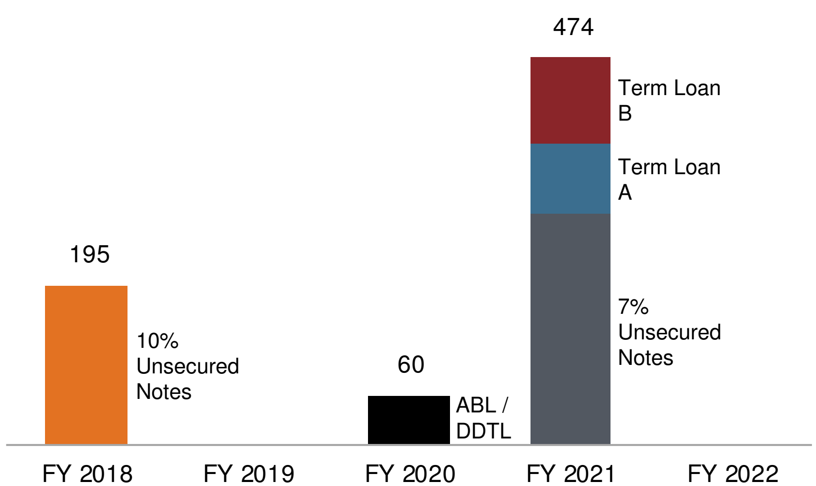
1H 2017 Drilling Services Revenue by Commodity



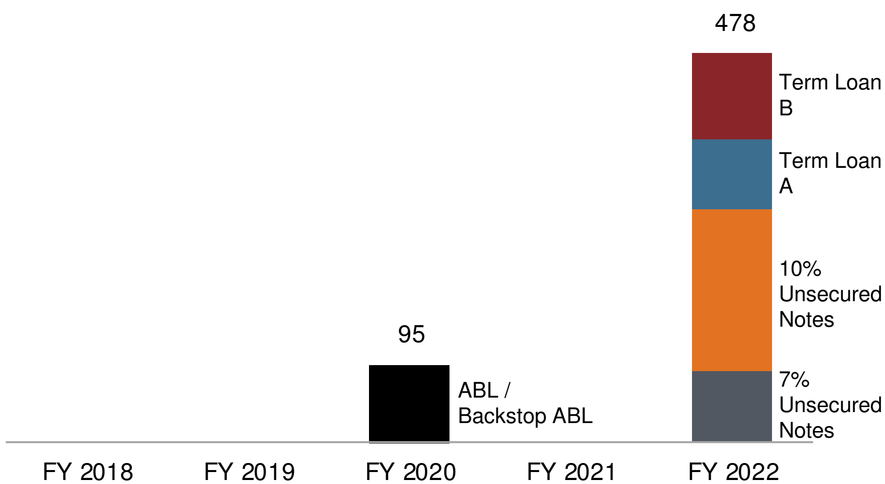
Debt Maturity Schedule

(US $M)

Before Recapitalisation



After Recapitalisation



Debt maturities pushed out as part of recap to allow for market recovery

Footnote Disclosures

- ***Footnote 1:*** Per 200,000 work hours.
- ***Footnote 2:*** Loss from Trading Activities, Adjusted Gross Margin, Adjusted Operating Loss, Adjusted SG&A, Adjusted EBITDA and Adjusted NPAT Loss are non-IFRS measures and are used internally by management to assess the underlying performance of the business and have been derived from the Company's financial results by adding back significant items (i.e., charges relating to recapitalisation, impairments, restructuring, and employee and related costs). In the case of Pro Forma Adjusted EBITDA, additional adjustments are made to account for one-time items. In the case of Adjusted NPAT, additional adjustments are made to account for the tax effect of significant items and other tax write-offs and, in the case of Loss from Trading Activities, adjustments are made to Adjusted Operating Loss to remove other expense/income.
- ***Footnote 3*****:** Operating rigs defined as the number of weekly operating rigs generating revenue. Utilisation figures based on operating rigs divided by rigs held in the fleet.
- ***Footnote 4:*** Transactions between segments are carried out at arm's length and are eliminated on consolidation.
- ***Footnote 5*****:** Source: Bloomberg.