



**Boart Longyear Limited**  
**ABN 49 123 052 728**

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4 September 2017

**Boart Longyear Recapitalisation – SPP Offer Booklet and Prospectus**

Boart Longyear Limited (**ASX:BLY**) (**Boart Longyear** or the **Company**) announces that it has today despatched to eligible shareholders, an offer booklet (the **SPP Offer Booklet**) for the Company's previously announced Share Purchase Plan (**SPP**) and a prospectus (the **Prospectus**) for the issue of Ordinary Warrants to eligible shareholders.

The SPP gives each eligible shareholder the opportunity to subscribe for up to A\$5,000 worth of new shares in Boart Longyear at A\$0.02 per share. The total amount to be raised by the Company under the SPP is capped at A\$9 million.

The SPP opens today, Monday 4 September and is scheduled to close at 5pm on Monday, 18 September (Sydney time).

Full details of the SPP are available in the SPP Offer Booklet, a copy of which is attached to this announcement. A copy of the Prospectus was attached to the Company's announcement to ASX on 24 August 2017.

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## Boart Longyear Limited

ABN 49 123 052 728

### **Share Purchase Plan Offer Booklet**

This Offer Booklet contains important information. You should read this document in full and seek advice from your financial or other professional adviser before making any investment decision. This document does not provide financial advice and has been prepared without taking into account your investment objectives, financial situation or particular needs.

These materials do not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any person in the United States. This Offer Booklet may not be distributed or released in the United States. The offer and sale of shares in the SPP have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold in the United States or to, or for the account or benefit of, any person in the United States unless registered or offered and sold in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable state securities laws.

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4 September 2017

Dear Shareholder,

On behalf of Boart Longyear Limited (**Boart Longyear** or the **Company**), I am pleased to offer you an opportunity to participate in the Share Purchase Plan (**SPP**) described in the Offer Booklet accompanying this letter. The issue of shares pursuant to the SPP was approved by shareholders at the Company's annual general meeting on 13 June 2017 as part of their approval of the recapitalisation proposal announced by the Company on 3 April 2017 (the **Recapitalisation**). It enables you to subscribe for up to A\$5,000 worth of new Company shares without incurring brokerage or other transaction costs. Shares offered under the SPP will be issued at a price of A\$0.02 each.

The eligibility criteria for participating in the SPP are set out in the Offer Booklet. The Company included the SPP as a component of the Recapitalisation for shareholders who wish to add to their shareholding at this time. Nevertheless, your participation in the SPP is entirely voluntary, and you are encouraged to seek independent financial advice to assist your decision about whether to participate.

In particular, the Company notes that the Recapitalisation was significantly dilutive to you and other Shareholders. A significant number of new Shares were issued to Centerbridge, Ares, Ascribe and other holders of the Company's 7% unsecured bonds and 10% secured bonds. In addition, shareholders and unsecured bondholders received a significant number of warrants, which, if exercised in the future, would lead to the further issue of new Shares. Additional information about these transactions and the impact of the Recapitalisation on the Company's capital structure and its shareholders can be found in the Notice of Meeting dated 12 May 2017 and the Company's other disclosures to ASX, including the Company's announcement on 9 August 2017 of the amended terms of the Recapitalisation resulting from the mediated outcome with First Pacific Advisors and the Prospectus dated 24 August 2017.

The dilutive impact of the Recapitalisation may have contributed to the market price of the Company's Shares trading down from a closing price of A\$0.082 cents at the close of trading on ASX on Friday, 31 March 2017 (the last trading day before announcing the Recapitalisation) to \$0.026 at the close of trading on ASX on 25 July 2017. Since then there has been an unexplained general increase in the price of Shares and the price of Shares at the close of trading on ASX on 25 August 2017 (the last trading day prior to the commencement of printing of this Offer Booklet) was A\$0.079. **Recent trading prices prior to printing this Offer Booklet may not have taken into account the dilution that would result from implementation of the Recapitalisation. Implementation of the Recapitalisation will have taken place by the time you receive this Offer Booklet, and trading prices of Shares may have fallen and continue to fall throughout the offer period. As a result, it is possible that the A\$0.02 offer price for SPP Shares may be at a premium to the market price at the time the SPP Shares are issued or soon thereafter.**

You may apply for one of four different parcels of SPP Shares set out in the following table:

Number of SPP Shares	Application Amount at A\$0.02 per SPP Share
50,000	A\$1,000.00
100,000	A\$2,000.00
150,000	A\$3,000.00

250,000	A\$5,000.00
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If the total value of applications received under the SPP is more than A\$9 million, the Company will scale back the number of SPP Shares that will be allotted and you may be allocated fewer SPP Shares than the number for which you applied. In such a case you will receive a proportionate refund of your application monies.

Any proceeds raised by the Company under the SPP will, together with the New ABL Facilities, be used to repay the Existing ABL Revolver.

On behalf of the Board of the Company, I thank you for your ongoing support of the Company and invite you to consider this opportunity to increase your investment in Boart Longyear, if you desire. Please read this Offer Booklet and the information in the Notice of Meeting carefully and consult your financial, taxation or other adviser accordingly.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'MRandolph', with a stylized flourish at the end.

**Marcus Randolph**

**Chair**

## Share Purchase Plan Offer Booklet

### A. Introduction

This Offer Booklet is issued by Boart Longyear and explains the features of the SPP.

The offer of SPP Shares is made in accordance with ASIC Class Order 09/425, which grants relief from the requirement to issue a disclosure document for such offer. In New Zealand, the offer of SPP Shares is made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

Capitalised terms in this Offer Booklet are defined in the Glossary.

### B. Timetable

Record Date (eligibility to participate in the SPP is determined)	7.00pm (Sydney time) on 31 March 2017
Implementation of the Recapitalisation	1 September 2017
Opening Date	4 September 2017
Closing Date	5.00pm (Sydney time) on 18 September 2017
Issue Date	25 September 2017
Despatch of holding statements	27 September 2017

Note: This timetable is indicative only. Boart Longyear may change or terminate the SPP offer at any time by notice to ASX and reserves the right to amend this indicative timetable (as required by ASX or otherwise).

### C. Frequently asked questions

This section answers frequently asked questions in relation to the SPP. You should read it in conjunction with the terms and conditions of the SPP.

## Share Purchase Plan Offer Booklet

What is the Share Purchase Plan or SPP?	The SPP gives Eligible Shareholders an opportunity to subscribe for up to A\$5,000 worth of SPP Shares without incurring brokerage or other transaction costs.										
Why is the Company proposing to issue the SPP Shares?	<p>Boart Longyear announced the Recapitalisation on 3 April 2017.</p> <p>Under the Recapitalisation, the Company's debt and interest costs are reduced, debt maturities are extended and the Company's liquidity is improved. In return (amongst other things), the Company agreed to issue Shares to the holders of the Company's 7% unsecured bonds and 10% secured bonds, significantly diluting existing Non-Associated Shareholders.</p> <p>The Company is undertaking the SPP to give Eligible Shareholders an opportunity to acquire additional Shares, if they wish to do so.</p> <p>Any proceeds raised by the Company under the SPP will, together with the New ABL Facilities, be used to repay the Existing ABL Revolver.</p>										
How much is Boart Longyear seeking to raise?	There is no fixed or minimum amount that Boart Longyear is seeking to raise under the SPP. However, if the total value of applications received is more than A\$9 million, Boart Longyear will scale back the number of SPP Shares. This means you may be allocated less SPP Shares than the number for which you applied, in which case you will receive a proportionate refund of your application monies.										
Who is eligible to participate in the SPP?	A Shareholder who meets the eligibility criteria to be an "Eligible Shareholder", as defined in the Glossary, may participate in the SPP. The laws of some countries prohibit, or make impracticable, participation in the SPP, so Shareholders who are not residents in Australia or New Zealand will be unable to participate in the SPP.										
Do I have to participate in the SPP?	No. Participation is voluntary. If you do not wish to participate in the SPP, you do not need to do anything, and the offer under the SPP will lapse at 5.00pm (Sydney time) on 18 September 2017.										
Is the SPP underwritten?	No. The SPP is not underwritten.										
Can my offer under the SPP be transferred to a third party?	No. The offer is non-renounceable and cannot be transferred.										
How much can I invest under the SPP?	<p>You can apply for one of four different parcels of Shares set out in the following table:</p> <table> <tr> <th>Number of SPP Shares</th><th>Application Amount at A\$0.02 per SPP Share</th></tr> <tr> <td>50,000</td><td>A\$1,000.00</td></tr> <tr> <td>100,000</td><td>A\$2,000.00</td></tr> <tr> <td>150,000</td><td>A\$3,000.00</td></tr> <tr> <td>250,000</td><td>A\$5,000.00</td></tr> </table>	Number of SPP Shares	Application Amount at A\$0.02 per SPP Share	50,000	A\$1,000.00	100,000	A\$2,000.00	150,000	A\$3,000.00	250,000	A\$5,000.00
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250,000	A\$5,000.00										

<p>What is the Offer Price?</p>	<p>The Offer Price is A\$0.02 per SPP Share.</p> <p>You should note that the Recapitalisation is significantly dilutive to Non-Associated Shareholders (see below), and the prospect of that dilution may have caused the market price of Shares to trade down from a closing price of A\$0.082 cents at the close of trading on ASX on Friday, 31 March 2017 (the last trading day before announcing the Recapitalisation) to \$0.026 at the close of trading on ASX on 25 July 2017. Since then there has been an unexplained general increase in the price of Shares and the price of Shares at the close of trading on ASX on 25 August 2017 (the last trading day prior to the commencement of printing of this Offer Booklet) was A\$0.079. Recent trading prices prior to printing of this Offer Booklet may not have taken into account the dilution that would result from implementation of the Recapitalisation. Implementation of the Recapitalisation will have taken place by the time you receive this Offer Booklet, and trading prices of the Shares may have fallen and continue to fall throughout the offer period.</p> <p>The A\$0.02 offer price for SPP Shares thus may be at a premium to the market price at the time the SPP Shares are issued or soon thereafter. This means that if you participate in the SPP by completing and returning the Application Form or by making a payment by B<sub>PAY</sub><sup>®</sup>, you are accepting the risk that the market price of Shares may change between the date of this Offer Booklet, the date on which you send in the Application Form or make a payment by B<sub>PAY</sub><sup>®</sup>, and the Issue Date. Once submitted, your application is unconditional and may not be withdrawn even if the market price of Shares is less than the Offer Price.</p> <p>You can monitor the price of Shares on the ASX website at <a href="http://asx.com.au">asx.com.au</a> (ASX code: BLY). Shareholders should check the market price of Shares after that date and seek advice from their financial or other professional adviser before making an investment decision in the offer under the SPP.</p>
<p>To what extent will I be diluted under the Recapitalisation?</p>	<p>The percentage of Shares held by Shareholders other than the Supporting Creditors is reduced to approximately 2% under the Recapitalisation (pre-dilution from the exercise of Ordinary Warrants or 7% Warrants and prior to the SPP). This is primarily due to the equity being issued under the Recapitalisation, including to the Supporting Creditors. As noted in the Prospectus, the number on Shares on issue increased from 956,514,860 to 24,600,662,700 immediately on implementation of the Recapitalisation.</p> <p>Further information about the dilutive effect of the Recapitalisation can be found in the NOM and the Company's other disclosures to ASX, including the Company's announcement on 9 August 2017 of the amended terms of the Recapitalisation resulting from the mediated outcome with First Pacific Advisors and the Prospectus.</p> <p>If you elect not to participate in the SPP, then you will be further diluted to the extent other Eligible Shareholders elect to participate in the SPP.</p>
<p>Where can I find further information about the risks which may affect the Company?</p>	<p>There are a number of risks, of a general and specific nature, which may affect the financial performance of the Company, its investment returns and the value of Shares, including any SPP Shares you successfully apply for under the SPP. Many of those risks have previously been disclosed by the Company to ASX in accordance with its continuous disclosure obligations. Other risks are set out in the Prospectus and include (amongst others) the risk that even after completion of the Recapitalisation, the Company's liquidity position could be insufficient to sustain operations, particularly during the first half of FY2018. In such circumstances, the Company may have to identify additional sources of</p>

	<p>liquidity to meet its requirements.</p> <p>You are encouraged to carefully consider the Company's disclosures to ASX, including the Company's half year accounts released to ASX on 24 August 2017 and the Prospectus, before making any investment decision.</p>		
How do I apply for SPP Shares?	<p>If you wish to participate in the SPP, you need to do either of the following:</p> <p><b>Option 1: Pay by cheque</b> Please complete the enclosed Application Form (and a Custodian Certificate if you are applying as a Custodian) and return it with your cheque drawn in Australian currency on an Australian financial institution to 'BLY – Share Purchase Plan Account' and crossed "Non Negotiable" to:</p> <table border="0"> <tr> <td style="vertical-align: top;"> <p><b>Mailing Address</b></p> <p>Boart Longyear Limited c/ - Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia</p> </td><td style="vertical-align: top;"> <p><b>Hand Delivery</b></p> <p>Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Australia</p> <p>or</p> <p>1A Homebush Bay Drive, Rhodes, NSW 2138 Australia</p> </td></tr> </table> <p>Your completed Application Form and cheque must be received by the Registry prior to the close of the offer at 5.00pm (Sydney time) 18 September 2017. Shareholders in New Zealand will need to affix the appropriate postage to the business reply envelope.</p> <p><b>Option 2: Pay via B<sub>PAY</sub><sup>®</sup></b> To pay via B<sub>PAY</sub><sup>®</sup> you will need to:</p> <ul style="list-style-type: none"> <li>(a) be an account holder with an Australian financial institution;</li> <li>(b) use the personalised reference number shown on your Application Form, which is required to identify your holding; and</li> <li>(c) ensure that your payment is received by the Registry before 5.00pm (Sydney time) 18 September 2017.</li> </ul> <p>If paying via B<sub>PAY</sub><sup>®</sup>, you will not need to complete and submit the Application Form but you will be taken to have made the statements and certifications on the Application Form.</p>	<p><b>Mailing Address</b></p> <p>Boart Longyear Limited c/ - Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia</p>	<p><b>Hand Delivery</b></p> <p>Link Market Services Limited Level 12, 680 George Street Sydney NSW 2000 Australia</p> <p>or</p> <p>1A Homebush Bay Drive, Rhodes, NSW 2138 Australia</p>
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What are the rights attached to SPP Shares issued under the SPP?	<p>SPP Shares will be issued on or about 25 September 2017.</p> <p>SPP Shares will rank equally with other Shares as at the Issue Date.</p>		
What do I do if I am a custodian?	<p>The SPP is being extended to Eligible Shareholders who are custodians and who wish to apply for SPP Shares on behalf of certain eligible beneficiaries.</p> <p>The SPP is being offered to Custodians as registered holders, and Custodians are not required to participate on behalf of their beneficiaries.</p> <p>Custodians may choose whether or not to extend the offer to their eligible beneficiaries.</p> <p>If you wish to apply as a Custodian under the SPP to receive SPP Shares for one or more eligible beneficiaries, you must complete and submit an</p>		

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	<p>additional Custodian Certificate that contains further certifications and details (required under the terms of ASIC Class Order 09/425) before your application will be accepted. Applications by Custodians for more than A\$5,000 of SPP Shares in total that are not accompanied by a duly completed Custodian Certificate will be rejected.</p> <p>By applying as a Custodian on behalf of eligible beneficiaries to subscribe for SPP Shares, you certify (amongst other things) that no individual beneficial holder of Shares is acquiring more than A\$5,000 of SPP Shares.</p> <p><b>Each Custodian must not participate in the SPP on behalf of, and must not distribute this Offer Booklet, or any documents relating to this SPP to, any person in the United States.</b></p>
Will I receive notification of any Shares issued to me?	<p>Yes.</p> <p>The Registry will send you an Issuer Holding Statement or CHESS Notice on or about 27 September 2017, which will include details of the number of SPP Shares issued to you under the SPP.</p>
Will the SPP Shares be able to be traded on ASX?	<p>Yes. When the SPP Shares are issued they will be able to be traded on ASX (subject to ASX granting quotation of SPP Shares).</p>
Where can I get more information on the SPP?	<p>If you have any questions please contact the BLY Offer Information Line on 1800 781 633 (within Australia) or +61 1800 781 633 (outside Australia) between 8.30am and 5.30pm (Sydney time), Monday to Friday.</p>
What do I do if I receive more than one Application Form?	<p>If you receive more than one copy of this Offer Booklet, or if you hold Shares in more than one capacity (for example, if you are both a sole and joint holder of Shares or if you have more than one holding in a separate account), the maximum amount you can invest under all capacities is A\$5,000.</p> <p>By applying to subscribe for SPP Shares, you certify that you have not exceeded this limit of A\$5,000. However, if you are a Shareholder that is expressly recorded in the Register as holding Shares as trustee or nominee for one or more named persons eligible to participate in the SPP (each an eligible beneficiary), then each eligible beneficiary is taken to be an Eligible Shareholder for the purposes of the SPP and each such eligible beneficiary may make an application through you as trustee or nominee to participate in the SPP.</p>

## D. Terms and conditions of the SPP

Please read these terms and conditions relating to the offer under the SPP carefully, as you will be bound by them in participating in the SPP.

The “frequently asked questions” section of this Offer Booklet forms part of the terms and conditions of the SPP. In the event of a conflict between these terms and the frequently asked questions, these terms and conditions will prevail.

### 1. Offer

- 1.1 The offer under the SPP opens on 4 September 2017 and closes at 5.00pm (Sydney time) on 18 September 2017.
- 1.2 If you choose not to participate in the SPP, your right to participate lapses at the Closing Date of the offer under the SPP, being 5.00pm (Sydney time) on 18 September 2017.

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- 1.3 The offer under the SPP is non-renounceable and non-transferable and, therefore, Eligible Shareholders cannot transfer their right to purchase SPP Shares under the offer to a third party.
- 1.4 The offer under the SPP to each Eligible Shareholder (whether as a Custodian or on its own account) is made on the same terms and conditions.

### **2. Eligible Shareholders**

- 2.1 You will be eligible to participate in the offer under the SPP if you are an Eligible Shareholder as defined in the Glossary.
- 2.2 No offer under the SPP is made to Shareholders who are not Eligible Shareholders.

### **3. Joint holders/Custodians**

- 3.1 If two or more persons are registered on the Register as jointly holding Shares, they are taken to be a single registered holder of Shares and a certification given by any of them is taken to be a certification given by all of them.
- 3.2 Eligible Shareholders who are Custodians may participate in the SPP on behalf of each beneficiary on whose behalf the Custodian is holding Shares.

### **4. Applications for SPP Shares**

- 4.1 Eligible Shareholders may subscribe for A\$1,000.00, A\$2,000.00, A\$3,000.00 or A\$5,000.00 worth of SPP Shares.
- 4.2 No brokerage or other transaction costs will apply to the acquisition of SPP Shares.
- 4.3 Eligible Shareholders who wish to apply for SPP Shares must either:
  - (a) complete the enclosed Application Form and forward it with a cheque drawn on an Australian financial institution in Australian dollars to 'BLY – Share Purchase Plan Account' and crossed 'Not Negotiable' in the enclosed business reply envelope so that it is received prior to the close of the offer of the SPP at 5.00pm (Sydney time) on 18 September 2017. New Zealand Shareholders will need to affix the appropriate postage; or
  - (b) make a payment via B<sub>PAY</sub><sup>®</sup> in accordance with the instructions on the Application Form so that it is received by 5.00pm (Sydney time) on 18 September 2017.
- 4.4 Application Forms, cheques or B<sub>PAY</sub><sup>®</sup> received after 5.00pm (Sydney time) on 18 September 2017 will not be accepted.
- 4.5 If you wish to apply as a Custodian under the SPP to subscribe for SPP Shares for one or more beneficiaries, you must also complete and submit an additional Custodian Certificate that contains further certifications and details (required under the terms of ASIC Class Order 09/425) before your application will be accepted. Applications by Custodians that are not accompanied by a duly completed Custodian Certificate will be rejected. To request a Custodian Certificate or further information about the Custodian application process, a Custodian should contact the BLY Offer Information Line on 1800 781 633 (within Australia) and +61 1800 781 633 (outside Australia) between 8.30am to 5.30pm Monday to Friday. Applications from a Custodian must be accompanied by a duly completed and signed Custodian Certificate.
- 4.6 Boart Longyear (and its officers and agents) may accept or reject any application for SPP Shares at its discretion, including, without limit, if:

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- (a) your application does not comply with these terms and conditions;
- (b) it appears you are not an Eligible Shareholder;
- (c) your Application Form, cheque or B<sub>PAY</sub><sup>®</sup> payment is not received by the Registry by the closing time;
- (d) if paying by cheque, your Application Form is incomplete or incorrectly completed or is otherwise determined by Boart Longyear to be invalid; or
- (e) your cheque is dishonoured or has been incorrectly completed.

### 5. Offer Price

5.1 The Offer Price is A\$0.02 per SPP Share.

### 6. Number of Shares to be allotted and Scaleback

- 6.1 On the Application Form, Eligible Shareholders may subscribe for A\$1,000.00, A\$2,000.00, A\$3,000.00 or A\$5,000.00 worth of SPP Shares. If you make a payment for an amount that is not equal to A\$1,000.00, A\$2,000.00, A\$3,000.00 or A\$5,000.00, Boart Longyear may round down the dollar amount of SPP Shares you are applying for to the next lowest parcel at its sole discretion.
- 6.2 If the total value of applications received is more than A\$9 million, Boart Longyear will Scaleback the number of SPP Shares that you will be allocated.
- 6.3 If there is a Scaleback, you will not receive the full number of SPP Shares for which you have applied. If a Scaleback produces a fractional number when applied to the number of SPP Shares, your allocation will be rounded down to the nearest whole number of SPP Shares.
- 6.4 In the event of a Scaleback, each application will be scaled back based on the number of SPP Shares for which the Eligible Shareholder has applied, the number of Shares held by the Eligible Shareholder at the Record Date, or a combination of both. The difference between the value of the SPP Shares allotted (calculated at the Offer Price) and the application monies received will be refunded to you by Boart Longyear, without interest, following allotment of the SPP Shares. Amounts will be refunded by direct credit to your nominated bank account for the payment of dividends or by cheque mailed to your address as shown on the Register.

### 7. Issue

- 7.1 SPP Shares will be issued on or about 25 September 2017.
- 7.2 SPP Shares will rank equally with other Shares as at the Issue Date.
- 7.3 Boart Longyear will apply to ASX for the quotation of SPP Shares issued under the SPP. It is anticipated SPP Shares issued under the SPP will be quoted on the ASX shortly after the Issue Date.
- 7.4 The Registry will send you a holding statement, confirming the allotment of SPP Shares on the Issue Date, on or about 27 September 2017.

### 8. Acknowledgements

- 8.1 By returning an Application Form and paying with a cheque or via B<sub>PAY</sub><sup>®</sup>, you:
- (a) agree to these terms and conditions;

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- (b) warrant that all details and statements in your application are true and complete and not misleading;
- (c) agree that your application will be irrevocable and unconditional (that is, it cannot be withdrawn);
- (d) warrant that as at 7.00pm (Sydney time) on 31 March 2017, you were an Eligible Shareholder;
- (e) represent, acknowledge and agree that:
  - (i) you, and each person for whose account or benefit you are acting, are not in the United States and you are not subscribing for, or purchasing, the SPP Shares in an 'offshore transaction' (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;
  - (ii) the SPP Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and, accordingly, the SPP Shares may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act, and any other applicable securities laws;
  - (iii) you are not engaged in the business of distributing securities and you have not, and will not, send this Offer Booklet or any materials relating to the SPP to any person in the United States;
  - (iv) if in the future you decide to sell or otherwise transfer the SPP Shares, you will only do so in regular transactions on the ASX, where neither you nor any person acting on your behalf know, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
  - (v) if you are acting as a trustee, nominee or Custodian, each beneficial holder on whose behalf you are participating is resident of Australia or New Zealand and is not in the United States nor acting for the account or benefit of a person in the United States, and you have not sent this Offer Booklet, or any materials relating to the SPP to any person in the United States;
- (f) if you are applying on your own behalf (and not as custodian), acknowledge that:
  - (i) you are not applying for SPP Shares with an application price of more than A\$5,000 (including by instructing a Custodian to apply for SPP Shares on your behalf);
  - (ii) the total of the application price for the following does not exceed A\$5,000 for:
    - (A) the SPP Shares the subject of the application;
    - (B) any other Shares issued to you under the SPP or any similar arrangement in the 12 months before the application;
    - (C) any other SPP Shares which you have instructed a Custodian to apply for on your behalf under the SPP; and
    - (D) any other Shares issued to a Custodian in the 12 months before the application as a result of an instruction given by you to the Custodian

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to apply for Shares on your behalf under an arrangement similar to the SPP;

- (g) if you are a Custodian and are applying on behalf of a beneficiary on whose behalf you hold Shares, acknowledge and agree that:
  - (i) you are a Custodian (as that term is defined in ASIC Class Order 09/425);
  - (ii) you held Shares on behalf of one or more beneficiaries at 7.00pm (Sydney time) on 31 March 2017, who have subsequently instructed you to apply for SPP Shares on their behalf under the SPP, and each of these beneficiaries has been given a copy of this Offer Booklet;
  - (iii) you are not applying for SPP Shares on behalf of any participating beneficiary with an application price of more than A\$5,000; and
  - (iv) the information in the Custodian Certificate submitted with your Application Form is true, correct and not misleading;
- (h) accept the risk associated with any refund that may be dispatched to you by direct credit or cheque to your address shown on the Register;
- (i) are responsible for any dishonour fees and other costs that Boart Longyear may incur in presenting a cheque for payment which is dishonoured;
- (j) agree to be bound by the Constitution as it may be amended from time to time in the future;
- (k) acknowledge that none of Boart Longyear, its advisers or agents has provided you with any financial product or investment advice or taxation advice in relation to the SPP, or has any obligation to provide such advice;
- (l) authorise Boart Longyear (and its officers and agents) to do anything on your behalf necessary for SPP Shares to be issued to you in accordance with these terms and conditions; and
- (m) authorise Boart Longyear (and its officers and agents) to correct minor or easily rectified errors in, or omissions from, your Application Form and to complete the Application Form by the insertion of any missing minor detail.

## 9. Dispute resolution

9.1 Boart Longyear may settle, in any manner it deems, any matters, anomalies, or disputes that may arise in connection with the operation of the SPP, whether generally or in relation to any participant or any application of SPP Shares, and its decision shall be conclusive and binding on all participants and other persons to whom the determination relates.

9.2 The powers of Boart Longyear under these terms and conditions may be exercised by its Directors or any delegate or representative of the Directors.

## 10. Variation and termination

10.1 Boart Longyear reserves the right at any time to:

- (a) amend or vary these terms and conditions;
- (b) waive strict compliance with any provision of these terms and conditions;
- (c) withdraw the SPP offer or suspend or terminate the SPP;

## Share Purchase Plan Offer Booklet

- (d) vary the timetable for the SPP, including the Closing Date; and
- (e) not accept an application and not issue SPP Shares, or issue SPP Shares to a value less than that applied for under the SPP by an Eligible Shareholder (including a Custodian applying on behalf of its beneficiaries).

10.2 In the event that the SPP is withdrawn or terminated, all application monies will be refunded. No interest will be paid on any money returned to you.

## 11. Privacy Policy

11.1 Chapter 2C of the Corporations Act requires information about you as a securityholder (including your name, address and details of the securities you hold) to be included in the public register of the entity in which you hold securities. This information must continue to be included in the public register if you cease to be a securityholder. The *Privacy Amendment (Private Sector) Act 2000* does not alter these statutory obligations.

11.2 Boart Longyear and the Registry may collect personal information to process your application and implement the SPP, and to administer your securityholding. The personal information contained in the Register is also used to facilitate payment and corporate communications (including financial results, annual reports and other information to be communicated to Shareholders) and to ensure compliance with legal and regulatory requirements, including Australian taxation laws and the Corporations Act.

11.3 Your personal information may be disclosed to joint investors, the Registry, to securities brokers, to third party service providers, technology providers and professional advisers, to related entities of Boart Longyear and each of their agents and contractors, and to ASX and other regulatory authorities, and in any case, where disclosure is required or allowed by law (which may include disclosures to the Australian Taxation Office and other government or regulatory bodies or where you have consented to the disclosure). In some cases, the types of organisations referred to above to whom we will disclose your personal information may be located overseas.

11.4 Boart Longyear's privacy policy is available on its website at <http://www.boartlongyear.com/company/legal/>.

## 12. Governing Law

12.1 These terms and conditions are governed by the laws in force in New South Wales. Any dispute arising out of, or in connection with, these terms and conditions, or the SPP, will be determined by the courts of New South Wales. By accepting the SPP, you agree to submit to the non-exclusive jurisdiction of the courts in New South Wales. Other terms and conditions, rights and obligations of SPP Shares are contained in the constitution of Boart Longyear. The terms and conditions of the SPP prevail to the extent of any inconsistency with the Application Form.

**E. Glossary**

7% Unsecured Notes	the outstanding 7% Unsecured Senior Notes issued by Boart Longyear Management Pty Limited ABN 38 123 283 545
7% Warrants	the Warrants to be issued to the holders of the 7% Unsecured Notes as described in the NOM
Application Form	your personalised application form enclosed with this Offer Booklet
Ares	Ares Management LLC on behalf of its affiliated funds and accounts
Ascribe	Ascribe II Investments, LLC on behalf of itself and its managed funds
ASIC	Australian Securities and Investments Commission
ASX	ASX Limited, or the market operated by it as the context requires
Beneficiary	a person on whose behalf a Custodian is holding Shares
Boart Longyear or the Company	Boart Longyear Limited ACN 123 052 728
Centerbridge	CCP Dutch Acquisition- ND2, B.V and CCP Credit SC II Dutch Acquisition- ND, B.V and CCP Dutch Acquisition – E2, B.V and CCP Credit SC II Dutch Acquisition – E, B.V, as applicable.
Closing Date	5.00pm (Sydney time) on 18 September 2017 (or such other date as the Board of the Company determines)
Corporations Act	the <i>Corporations Act 2001</i> (Cth)
Constitution	the Constitution of the Company, which is accessible from the Company's website at <a href="http://www.boartlongyear.com/company/corporate-profile/corporate-governance/constitution-of-boart-longyear-limited-2/">http://www.boartlongyear.com/company/corporate-profile/corporate-governance/constitution-of-boart-longyear-limited-2/</a>
Custodian	a custodian is defined in paragraph 14 of ASIC Class Order 09/425
Custodian Certificate	a certificate complying with paragraph 9 of ASIC Class Order 09/425
Director	a director of the Company
Eligible Shareholder	a Shareholder as at 7.00pm (Sydney time) on 31 March 2017 with a registered address in Australia or New Zealand who is not in the United States and is not acting for the account or benefit of a person in the United States and is eligible under applicable securities law to participate in the SPP
Existing ABL Revolver	that certain revolving credit and security agreement, dated as of May 29, 2015, by and among the Loan Parties (as defined therein), PNC Bank National Association as the sole Lender, and the administrative agent (as amended and as in effect immediately prior to the Initial Advance Date).
Issue Date	25 September 2017
New ABL Revolver	the new ABL facilities comprising: <ul style="list-style-type: none"> <li>• a revolving credit facility of up to of US\$50 million from PNC Bank (the <b>PNC ABL</b>); and</li> <li>• an term loan credit facility provided by (amongst others) affiliates of the Supporting Creditors and for the amount equal to the lesser of up to (i) US\$45 million and (ii) US\$75 million less the amount available to be drawn under the PNC ABL from the Supporting Creditors (subject to being reduced by the amount raised by the Company under the PNC ABL).</li> </ul>
NOM	the Notice of Annual General Meeting and Explanatory Statement despatched to Shareholders on 12 May 2017
Non-Associated	Shareholders other than the Supporting Creditors or any of their

## Share Purchase Plan Offer Booklet

Shareholders	Associates (as that term is defined in the NOM)
Offer Booklet	this offer booklet dated 4 September 2017
Offer Price	A\$0.02 per SPP Share
Opening Date	4 September 2017
Offer Period	the period commencing on the Opening Date and ending on the Closing Date
Ordinary Warrants	Warrants to be issued to Shareholders (other than Centerbridge) as described in the NOM
PNC Bank	PNC Bank, National Association
Prospectus	the prospectus dated on or about 24 August 2017 issued by the Company in connection with the Warrants Issue
Recapitalisation	the recapitalisation proposal announced by Boart Longyear on 3 April 2017 (as amended from time to time)
Record Date	7.00pm (Sydney time) on 31 March 2017
Register	the register of Shareholders
Registry	Link Market Services Limited
Scaleback	Boart Longyear's right to scale back or decrease the number of Shares allotted to a participating Eligible Shareholder under the SPP
Share	an ordinary share in the Company
Shareholder	a registered holder of Shares
SPP	the Share Purchase Plan offer made to Eligible Shareholders under this Offer Booklet
SPP Shares	new Shares under the SPP
Supporting Creditors	Centerbridge, Ares and Ascribe



ABN 49 123 052 728

All Registry communications to:  
Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia  
Telephone: 1800 781 633  
From outside Australia: +61 1800 781 633  
ASX Code: BLY  
Website: www.linkmarketservices.com.au

SRN/HIN:

Entitlement Number:

Record Date: 31 March 2017

Offer Opens: 4 September 2017

Offer Closes  
5:00pm (Sydney time): 18 September 2017

## SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

### How do I apply for Shares under this offer?

- Carefully read the SPP Terms and Conditions accompanying this form.
- Decide on the amount you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the Terms and Conditions Booklet and further important instructions on the reverse of this form.
  - Option 1: Paying by BPAY®.
  - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be in Australian dollars.

### PAYMENT OPTIONS

#### Option 1: Paying by BPAY®

If paying by BPAY®, you do **NOT** need to complete or return the Acceptance Slip attached to this Application Form below. Payment must be received by the Registry by BPAY® by 5:00pm (Sydney time) on 18 September 2017. By paying by BPAY®, you will be deemed to have completed an Application Form for the number of Shares the subject of your Application Payment.

If you make a payment by BPAY® and Boart Longyear Limited receives an amount which is not equal to either A\$1,000, A\$2,000, A\$3,000 or A\$5,000, Boart Longyear Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.



**Biller Code:** 615906

**Ref:**

#### Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. More info: [www.bpay.com.au](http://www.bpay.com.au)  
© Registered to BPAY Pty Ltd ABN 69 079 137 518

#### Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return the Acceptance Slip attached to this Application Form with your Application Payment.

- Tick the box beside the amount you wish to apply for, either A\$1,000, A\$2,000, A\$3,000 or A\$5,000.
- Enter your cheque, bank draft or money order details. The amount of your Application Payment should be equal to the amount applied for in section A of the Acceptance Slip. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "BLY- Share Purchase Plan Account" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$1,000, A\$2,000, A\$3,000 or A\$5,000, Boart Longyear Limited may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$1,000.
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

THIS IS A PERSONALISED FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE.



**BOART  
LONGYEAR™**

ABN 49 123 052 728

Please detach and enclose with payment

SRN/HIN:

Entitlement Number:



**A** I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

☐ A\$1,000 OR ☐ A\$2,000 OR ☐ A\$3,000 OR ☐ A\$5,000

**B** Make your cheque, bank draft or money order payable to "BLY- Share Purchase Plan Account" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

**C** Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name

<input type="text"/>	<input type="text"/>	<input type="text"/>
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## IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase additional Shares under this SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the Application Payment by BPAY® or you submit your Acceptance Slip with your Application Payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on the Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Schedule that contains additional certifications and details that must be provided ("the Schedule") before your Application will be received. The Schedule can be obtained by contacting the Boart Longyear Limited SPP Offer Information Line. Applications received by custodians that are not accompanied by the Schedule will be rejected.
6. For applicants that are not required to complete the Schedule, by submitting the Acceptance Slip (with a cheque, bank draft or money order) or making payment by BPAY®, you certify that the aggregate of the Application Payment paid by you for:
  - the parcel of New Shares indicated on this Application Form or BPAY® payment; and
  - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of the Acceptance Slip or payment by BPAY® does not exceed A\$5,000.
7. Boart Longyear Limited reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as Boart Longyear Limited may scaleback applications in its discretion.

### How to Lodge your Acceptance Slip and Application Payment

A reply paid envelope is enclosed for you to return your Acceptance Slip and Application Payment. No postage stamp is required if it is posted in Australia.

Acceptance Slip and the payment for New Shares must be received by the Registry no later than the closing date shown overleaf. If paying by BPAY® you do not need to complete or return the Application Form. You should check the processing cut off-time for BPAY® transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

#### Mailing Address

Boart Longyear Limited  
C/- Link Market Services Limited  
GPO Box 3560  
Sydney NSW 2001

or

#### Hand Delivery

Boart Longyear Limited  
C/- Link Market Services Limited  
1A Homebush Bay Drive  
Rhodes NSW 2138 **(Please do not use this address for mailing purposes)**

Make sure you send your Acceptance Slip and Application Payment allowing enough time for mail delivery, so Link Market Services Limited receives them no later than 5:00pm (Sydney time) on 18 September 2017. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Boart Longyear Limited reserves the right not to process any Acceptance Slips and Application Payments received after the Closing Date.

If you require information on how to complete this Acceptance Slip please contact the Boart Longyear Limited SPP Offer Information Line on 1800 781 633 if calling within Australia or +61 1800 781 633 if calling from outside of Australia.