

27 October 2014

ASX Waiver

Boart Longyear Limited (**ASX:BLY**) – Boart Longyear Limited (“the Company”) advises that it has obtained from the ASX a waiver from Listing Rule 10.1 (“the Waiver”).

The terms of the Waiver are set out in Attachment A.

In relation to paragraph 1.2.1(e) of the Waiver, the Company advises that it expects to repay the Term A Loan and Term B Loan in accordance with the maturity dates of those loans, and at the same time to seek to discharge the Security granted in relation to those loans.

A summary of the terms of the Term A Loan and Term B Loan, including maturity dates, is included in the Company’s announcement lodged with the ASX on 23 October 2014.

About Boart Longyear

Approaching its 125th year anniversary in 2015, Boart Longyear is the world’s leading provider of drilling services, drilling equipment, and performance tooling for mining and drilling companies globally. It also has a substantial presence in aftermarket parts and service, energy, mine de-watering, oil sands exploration, and production drilling.

The Global Drilling Services division operates in over 40 countries for a diverse mining customer base spanning a wide range of commodities, including copper, gold, nickel, zinc, uranium, and other metals and minerals. The Global Products division designs, manufactures and sells drilling equipment, performance tooling, and aftermarket parts and services to customers in over 100 countries.

Boart Longyear is headquartered in Salt Lake City, Utah, USA, and listed on the Australian Securities Exchange in Sydney, Australia. More information about Boart Longyear can be found at www.boartlongyear.com. To get Boart Longyear news direct, visit <http://www.boartlongyear.com/rssfeed>.

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Attachment A**ASX Waiver**

1. Based solely on the information provided, ASX Limited grants ("ASX") Boart Longyear Limited (the "Company") waivers from:

...

1.2. Listing Rule 10.1 to the extent necessary to permit the Company and its subsidiaries to do the following.

1.2.1. Grant security over all of its assets in favour of. Centerbridge and its associates ("Security") to secure the Company's obligations under a term loan comprising tranche A and tranche B for a maximum total initial drawdown of US\$225 million pursuant to the New Term Loan Agreement ("Term Loan Agreement"), without obtaining shareholder approval, on the following conditions.

- (a) The Security includes a term that if an event of default occurs and Centerbridge, or any of its associates, exercises their rights under the Security, neither Centerbridge nor any of its associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Term Loan Agreement or the Security, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Centerbridge or any of its associates) appointed by Centerbridge or any of its associates exercising their power of sale under the Term Loan Agreement or the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Centerbridge or an associate, in accordance with their legal entitlements.
- (b) A summary of the material terms of the Term Loan Agreement and the Security is made in each annual report of the Company during the term of the Term Loan Agreement and the Security.
- (c) Any variations to the terms of the Term Loan Agreement or the Security which is:
 - (i) a material change; or
 - (ii) inconsistent with the terms of the waiver,must be subject to shareholder approval.
- (d) The Company must seek to discharge the Security when the funds advanced under the Term Loan Agreement are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further loan amount.
- (e) Upon entering into the Term Loan Agreement the Company immediately releases to the market an announcement which sets out the terms of the waiver, and the Company's plans with respect to the repayment of the funds advanced under the Term Loan Agreement and the discharge of the Security, including the timeframe within which it expects the repayment and discharge to occur.