

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12, 04/03/13

Name of entity

Boart Longyear Limited (**Boart Longyear**)

ABN

49 123 052 728

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|---|---|
| 1 | +Class of +securities issued or to be issued | Fully paid ordinary shares |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | <p>Follow-on Placement
135,001,936 fully paid ordinary shares issued to CCP II Dutch Acquisition – E2, B.V (Centerbridge) under the follow-on placement approved by shareholders at the Extraordinary General Meeting of Boart Longyear held on 17 December 2014.</p> <p>Rights Issue
624,619,101 fully paid ordinary shares issued under the pro rata traditional renounceable rights issue launched by Boart Longyear on 18 December 2014.</p> |
| 3 | Principal terms of the +securities (e.g. if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid ordinary shares. |

4	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p>Yes. The fully paid ordinary shares will rank equally with the existing fully paid ordinary shares in Boart Longyear from the date of allotment.</p>
5	Issue price or consideration	<p>Follow-on Placement US\$0.1557 per share (rounded to four decimal places)</p> <p>Rights Issue A\$0.1656 per share</p>
6	<p>Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p>Follow-on Placement Follow-on Placement to Centerbridge approved by shareholders at the Extraordinary General Meeting of Boart Longyear held on 17 December 2014.</p> <p>Rights Issue Rights Issue launched by Boart Longyear on 18 December 2014.</p>
6a	<p>Is the entity an +eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i</p>	No
6b	The date the security holder resolution under rule 7.1A was passed	N/A
6c	Number of +securities issued without security holder approval under rule 7.1	N/A

+ See chapter 19 for defined terms.

6d	Number of +securities issued with security holder approval under rule 7.1A	N/A
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6e	Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	N/A
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6f	Number of +securities issued under an exception in rule 7.2	N/A
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6g	If +securities issued under rule 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the +issue date and both values. Include the source of the VWAP calculation.	N/A
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6h	If +securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	N/A
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6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	N/A
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7	<p>+Issue dates</p> <p>Note: The issue date may be prescribed by ASX (refer to the definition of issue date in rule 19.12). For example, the issue date for a pro rata entitlement issue must comply with the applicable timetable in Appendix 7A.</p> <p>Cross reference: item 33 of Appendix 3B.</p>	<p>Follow-on Placement 18 December 2014</p> <p>Rights Issue 27 January 2014</p>
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8	Number and +class of all +securities quoted on ASX (including the +securities in section 2 if applicable)	Number	+Class
		1,262,109,827	Fully paid ordinary shares

9	Number and ⁺ class of all ⁺ securities not quoted on ASX (<i>including</i> the ⁺ securities in section 2 if applicable)	Number	⁺ Class
		25,000	Options expiring 15 March 2015
		3,833,705	Options expiring 15 March 2024
		324,204	Options expiring 1 April 2024
		3,034,752	Options expiring 19 May 2024
		3,034,753	Options expiring 1 April 2025
		3,034,753	Options expiring 1 April 2026
		13,287,167	TOTAL OPTIONS
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	There has been no change to Boart Longyear's dividend policy.	

Part 2 - Pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the ⁺ securities will be offered	0.9798 fully paid ordinary shares in Boart Longyear for every fully paid ordinary share in Boart Longyear held be eligible shareholders at the Record Date (see item 15 below).
14	⁺ Class of ⁺ securities to which the offer relates	Fully paid ordinary shares
15	⁺ Record date to determine entitlements	7.00pm (AEDT) on 24 December 2014
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	No
17	Policy for deciding entitlements in relation to fractions	Where fractions arise in the calculation of shareholders' entitlements under the Rights Issue, they will be rounded up to the next whole number.

⁺ See chapter 19 for defined terms.

18	Names of countries in which the entity has security holders who will not be sent new offer documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.	All countries other than Australia and New Zealand.
19	Closing date for receipt of acceptances or renunciations	5.00pm (AEDT) on 19 January 2015
20	Names of any underwriters	Centerbridge
21	Amount of any underwriting fee or commission	No underwriting fee or commission payable in respect of the Rights Issue
22	Names of any brokers to the issue	N/A
23	Fee or commission payable to the broker to the issue	N/A
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of security holders	N/A
25	If the issue is contingent on security holders' approval, the date of the meeting	N/A
26	Date entitlement and acceptance form and offer documents will be sent to persons entitled	No prospectus or product disclosure document is being produced. A Rights Issue Booklet and Entitlement and Acceptance Form will be sent to eligible shareholders on 30 December 2014.
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	N/A
28	Date rights trading will begin (if applicable)	22 December 2014
29	Date rights trading will end (if applicable)	12 January 2015

30	How do security holders sell their entitlements <i>in full</i> through a broker?	If shareholders wish to sell all of their rights on the ASX, they should instruct their stockbroker personally and provide details as requested on the Entitlement and Acceptance Form accompanying the Rights Issue Booklet in respect of the Rights Issue.
31	How do security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	<p>If shareholders wish to sell part of their rights on ASX and take up the balance, they will need to:</p> <ul style="list-style-type: none"> • instruct their stockbroker personally and provide details as requested on the Entitlement and Acceptance Form accompanying the Rights Issue Booklet in respect of the Rights Issue; and • their stockbroker will have to forward the Entitlement and Acceptance Form to Boart Longyear's registry together with a cheque, bank draft or money order for the share applied for (or make payment using BPAY®), in each case in accordance with the instructions on the Entitlement and Acceptance Form.
32	How do security holders dispose of their entitlements (except by sale through a broker)?	If shareholders wish to sell some or all of their entitlements other than on ASX, they will need to complete a standard Renunciation and Acceptance Form.
33	+Issue date	27 January 2015

+ See chapter 19 for defined terms.

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

34 Type of ⁺securities
(tick one)

(a) ☒ ⁺Securities described in Part 1

(b) ☐ All other ⁺securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

35 ☐ If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders

36 ☐ If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories

1 - 1,000

1,001 - 5,000

5,001 - 10,000

10,001 - 100,000

100,001 and over

37 ☐ A copy of any trust deed for the additional ⁺securities

Entities that have ticked box 34(b)

38	Number of +securities for which +quotation is sought	N/A					
39	+Class of +securities for which quotation is sought	N/A					
40	<p>Do the +securities rank equally in all respects from the +issue date with an existing +class of quoted +securities?</p> <p>If the additional +securities do not rank equally, please state:</p> <ul style="list-style-type: none"> the date from which they do the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	N/A					
41	<p>Reason for request for quotation now</p> <p>Example: In the case of restricted securities, end of restriction period</p> <p>(if issued upon conversion of another +security, clearly identify that other +security)</p>	N/A					
42	Number and +class of all +securities quoted on ASX (including the +securities in clause 38)	<table border="1"> <thead> <tr> <th>Number</th> <th>+Class</th> </tr> </thead> <tbody> <tr> <td>N/A</td> <td>N/A</td> </tr> </tbody> </table>	Number	+Class	N/A	N/A	
Number	+Class						
N/A	N/A						

+ See chapter 19 for defined terms.

Quotation agreement

1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.

2 We warrant the following to ASX.

- The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
- There is no reason why those +securities should not be granted +quotation.
- An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
- If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.

3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

4 We give ASX the information and documents required by this form. If any information or document is not available now, we will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.



Sign here: Date: 18 December 2014
Company secretary

Print name: Paul Blewett

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+ See chapter 19 for defined terms.