



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

30 December 2014

The Manager
Company Announcements Office
Australian Securities Exchange
20 Bridge Street
Sydney NSW 2000

BOART LONGYEAR LIMITED – RIGHTS ISSUE BOOKLET

Please find attached the following documents relating to Boart Longyear Limited's (**Boart Longyear**) Rights Issue, which were mailed to Eligible Shareholders today:

1. Rights Issue Booklet containing:

- Chair's Letter
- Important Information
- Key Dates
- Details of the Rights Issue
- Tax Implications
- Actions to be taken by Eligible Shareholders
- ASX Announcements

Rights Issue and Share Buy Back Offer Launch Announcement dated 18 December 2014

Rights Issue and Share Buy Back Presentation dated 18 December 2014

- Additional Information

2. Sample Entitlement and Acceptance Form

It is important to note:

Only Eligible Shareholders may participate in the Rights Issue.

A notification to Ineligible Shareholders will be released to ASX separately.

Yours sincerely

A handwritten signature in black ink, appearing to read "Fabrizio Rasetti".

Fabrizio Rasetti
General Counsel & Secretary



BOART LONGYEAR LIMITED

ABN 49 123 052 728

RIGHTS ISSUE BOOKLET

**0.9798 for 1 renounceable
pro-rata offer of Boart
Longyear fully paid ordinary
shares (New Shares) at
an offer price of A\$0.1650
per New Share to raise
approximately A\$103.1 million**

**The Rights Issue closes
at 5.00pm (AEDT) on
19 January 2015 (Closing Date)**

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This Booklet and the accompanying Entitlement and Acceptance Form does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States or in any jurisdiction in which such an offer would be unlawful. The Rights and the New Shares offered in the Rights Issue have not been, and will not be, registered under the Securities Act of 1933, as amended (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, unless the New Shares are registered under the Securities Act and any other applicable U.S. state securities laws or offered and sold pursuant to an exemption from, or in a transaction not subject to, registration.

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form and both should be read in their entirety.

Please call your professional adviser or the Boart Longyear Shareholder Information Line if you have any questions.

CHAIR'S LETTER

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

30 December 2014

Dear Shareholder,

On behalf of the Directors of Boart Longyear, I am pleased to invite you to participate in a pro-rata traditional renounceable rights issue of new ordinary Shares (**New Shares**) to raise approximately A\$103.1 million (US\$84 million)¹ (**Rights Issue**).

On 23 October 2014, Boart Longyear Limited (**Boart Longyear**) announced to the Australian Securities Exchange (**ASX**) that it had entered into binding agreements with certain entities affiliated with Centerbridge Partners, L.P. (**Centerbridge**) in relation to a comprehensive recapitalisation transaction (**Recapitalisation**).

Since then the first components of the Recapitalisation have been implemented and the Company has:

- raised approximately US\$5.6 million pursuant to a placement to Centerbridge (**Initial Placement**);
- refinanced its former revolving bank credit facility by drawing down \$US120 million under Term Loan A provided by Centerbridge; and
- conducted a successful tender offer and repurchased US\$105 million aggregate principal amount of its Existing Secured Notes funded primarily by drawing down US\$105 million under Term Loan B provided by Centerbridge.

The remaining components of the Recapitalisation were subject to shareholder approval and, on 17 December 2014, an extraordinary general meeting of Boart Longyear shareholders was held and shareholders approved the resolutions required to implement the remaining components of the Recapitalisation.

Subsequent to shareholder approval, on 18 December 2014 the Company:

- raised approximately US\$21 million pursuant to a further placement to Centerbridge;
- was paid an additional US\$0.6 million premium in respect of the Initial Placement (**Premium**); and
- launched the Rights Issue.

This Rights Issue is one of the remaining components of the Recapitalisation to be completed. Other components of the Recapitalisation to be completed are an off-market buy-back of ordinary shares capped at A\$24.5 million (US\$20 million)² (**Share Buy Back Offer**) which may be reduced if it would result in Centerbridge becoming a Majority Stockholder (the **Buyback Limit**). If acceptances are received in excess of the Buyback Limit, the Share Buy Back Offer will be scaled back on a pro rata basis.

The Share Buy Back Offer is being conducted concurrently with the Rights Issue and Shareholders eligible to receive the Share Buy Back Offer will be sent a separate booklet relating to the Share Buy Back Offer. The final component of the Recapitalisation will be the exchange of Centerbridge's US\$16 million holding of Existing Unsecured Notes for equity which will occur on completion of the Rights Issue and Share Buy Back Offer.

Summary of the Rights Issue

The Rights Issue offers Eligible Shareholders the opportunity to participate in the Recapitalisation by investing further alongside Centerbridge. Pursuant to the Rights Issue each Eligible Shareholder will be offered 0.9798 New Shares for every fully paid ordinary share in Boart Longyear (**Existing Share**) held as at 7.00pm (Sydney time) on 24 December 2014 (**Record Date**) at a price of A\$0.1650 per New Share (Australian dollar equivalent of US\$0.1350)³. The Rights Issue is fully underwritten by an affiliate of Centerbridge.

The Offer Price represents a:

- 1.6% premium to the theoretical ex-rights price of A\$0.1625;
- 3.1% premium to Boart Longyear's closing price on 17 December 2014;
- 4.2% discount to Boart Longyear's 5 day VWAP to 17 December 2014; and
- 10.1% discount to Boart Longyear's 1 month VWAP to 17 December 2014.

You may participate in the Rights Issue in respect of some or all of your Rights.

1. Australian dollar equivalent of US\$84 million on 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD. USD raising amount assumes no change in the AUD/USD exchange rate between 17 December and 27 January 2015.
2. Australian dollar equivalent of US\$20 million on 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD.
3. Calculated at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD. (US\$0.1350 is the price at which Centerbridge subscribed for New Shares under the Initial Placement before payment of the Premium).

CHAIR'S LETTER (CONTINUED)

This Booklet includes:

- Important Information
- Key Dates
- Details of the Rights Issue
- Tax Implications
- Glossary
- ASX Offer Announcements
- An Entitlement and Acceptance Form

To apply for New Shares, you should complete the enclosed Entitlement and Acceptance Form in accordance with the instructions provided on it and the instructions in the "Actions to be taken by Eligible Shareholders" section of this Booklet. You can also apply online by visiting www.boartlongyear.com and following the prompts.

If you do not wish to participate in the Rights Issue you do not need to do anything. If you are also eligible to participate in the Share Buy Back Offer, you will receive a separate Share Buy Back Offer Booklet.

Further information

Further information on the Rights Issue is detailed in this Booklet. You should read the entirety of this Booklet carefully and in conjunction with Boart Longyear's other periodic continuous disclosure announcements which are available at www.asx.com.au, before deciding whether to participate in the Rights Issue.

If you have any further questions about the Rights Issue, you should seek advice from your stockbroker or other professional adviser or you can call the Boart Longyear Investor Information Line on 1800 781 633 (within Australia) or +61 1800 781 633 (outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday during the offer period.

On behalf of the Directors, I invite you to consider this investment opportunity and thank you for your continued support of Boart Longyear.

Yours sincerely,



Barbara Jeremiah
Chair

KEY DATES

EVENT	DATE ¹
Ex rights date	22 December 2014
Rights trading commences on a deferred settlement basis	22 December 2014
Record Date to determine right to participate in the Rights Issue (Record Date)	24 December 2014
Rights Issue opens	30 December 2014
Despatch of the Rights Issue Offer Booklet to Eligible Shareholders	30 December 2014
Rights trading commences on a normal settlement basis	31 December 2014
Rights trading ends	12 January 2015
Rights Issue closes	5.00pm (AEDT) on 19 January 2015
Allotment of New Shares issued under the Rights Issue	27 January 2015
New Shares issued under Rights Issue commence trading on a normal settlement basis	28 January 2015
Despatch of holding statements	

1. The above timetable is indicative only and subject to change. Boart Longyear reserves the right to amend any or all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Boart Longyear reserves the right to extend the closing date of the Rights Issue, to accept late applications either generally or in particular cases or to withdraw the Rights Issue without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX. All references in this Booklet to AEDT are to Australian Eastern Standard Time (AEDT).

Enquiries

If you have any questions, please call the Boart Longyear Investor Information Line on 1800 781 633 (within Australia) or +61 1800 781 633 (from outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday during the Rights Issue period (business days only), or consult your stockbroker, accountant or other independent professional adviser.

Website: www.boartlongyear.com

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1. DETAILS OF THE RIGHTS ISSUE

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1.1 Overview of the Rights Issue

Eligible Shareholders are being offered the opportunity to subscribe for 0.9798 New Shares for every Share held cum rights at 7.00pm (AEDT) on the Record Date at the offer price of A\$0.1650 per New Share (**Offer Price**) to raise approximately A\$103.1 million (\$US84 million)⁴.

New Shares issued pursuant to the Rights Issue will be fully paid and rank equally with Existing Shares on issue.

The Rights Issue is renounceable. This means Eligible Shareholders who do not wish to subscribe for some or all of their Rights may sell or transfer their Rights in order to realise any value which may attach to those Rights. The Rights will be quoted on ASX.

The Rights Issue is fully underwritten by CCP II Dutch Acquisition – E2, B.V. (the **Underwriter**), the special purpose vehicle established by Centerbridge for the purposes of participating in the Recapitalisation. Any Rights which are sold on market by Eligible Shareholders or the Offer Manager on behalf of Ineligible Shareholders (see Section 1.4) which are not exercised by the close of the Rights Issue will form part of the shortfall and be acquired by the Underwriter pursuant to the Underwriting Agreement.

The Rights Issue is being made pursuant to provisions of the Corporations Act 2001 (Cth) (**Corporations Act**) which allow rights issues to be made without a prospectus. As a result, it is important for Eligible Shareholders to carefully read and understand the publicly available information on the Company and the Rights Issue prior to exercising all or some of their Rights. In particular, please refer to this Booklet, the Recapitalisation announcement dated 23 October 2014 and the Notice of Meeting and Explanatory Statement and other announcements available at www.asx.com.au.

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspect of the Rights Issue. Information is also available to Shareholders at the Boart Longyear Investor Information Line on 1800 781 633 (within Australia) or +61 1800 781 633 (from outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday during the Rights Issue period (business days only).

The Company is conducting the Rights Issue concurrently with an off market share buy back (**Share Buy Back Offer**). The Share Buy Back Offer gives those shareholders eligible to receive the Share Buy Back Offer an opportunity to exit their investment in the Company if they wish to do so. For more information refer to section 1.7.

1.2 Who is eligible to participate in the Rights Issue?

Only Eligible Shareholders are eligible to participate in the Rights Issue.

Eligible Shareholders are those persons who:

- are registered as a holder of Shares cum rights as at 7.00pm (AEDT) on the Record Date;
- as at the Record Date:
 - have a registered address in Australia or New Zealand;
 - have a registered address in Canada, Germany or Switzerland and are employees of the Group;
- are not in the United States and are not acting for the account or benefit of a person in the United States; and
- are eligible under all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered.

An Eligible Shareholder who holds Shares on behalf of a person in a jurisdiction outside Australia and New Zealand is not precluded from participating in the Rights Issue on behalf of that person provided that person is eligible under applicable securities laws to receive an offer for, and be issued New Shares under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered. Please refer to the “International Offer Restrictions” included in the Rights Issue Booklet in respect of Canada (British Columbia, Ontario and Quebec provinces), European Economic Area (Denmark, Germany and Netherlands), Hong Kong, Norway, Singapore, Switzerland and the United Kingdom in respect of eligibility of persons in those jurisdictions to participate in the Rights Issue.

Concurrently with the Rights Issue, Boart Longyear will be offering New Shares to certain eligible Shareholders in the United States (**Approved US Securityholders**) pursuant to a U.S. private placement. Approved US Securityholders will be contacted directly by Boart Longyear.

All other holders of Shares are not eligible to participate in the Rights Issue (**Ineligible Shareholders**).

4. Australian dollar equivalent of US\$84 million on 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD. Assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015.

1. DETAILS OF THE RIGHTS ISSUE (CONTINUED)

Nominees and custodians which hold Shares on behalf of other persons will have received or will shortly receive, a letter from the Company. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Rights Issue is only being made to Eligible Shareholders. When they are holding Shares on behalf of persons in a jurisdiction outside Australia and New Zealand they may participate on behalf of that person if that person is otherwise eligible under applicable securities laws to receive an offer and be issued New Shares under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered. Nominees and custodians should refer to the "International Offer Restrictions" contained on slides 26 to 29 of the Rights Issue and Share Buy Back Offer Investor Presentation included in this Booklet. Eligible Shareholders who are nominees, trustees or custodians are therefore advised to seek independent professional advice as to how to proceed.

1.3 What is your Entitlement?

Your Entitlement (the number of Rights to which you are entitled) is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 0.9798 New Shares for every Share you held cum rights as at 7.00pm (AEDT) on the Record Date.

If you have more than one registered holding of Shares, you will be sent more than one Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

Please also note that the number of Rights stated on your Entitlement and Acceptance Form may be in excess of the actual number of Rights you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States (see definition of Eligible Shareholder in Section 1.2).

1.4 Ineligible Shareholders

The Rights Issue does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. The Company is of the view that it is unreasonable to extend the Rights Issue to Ineligible Shareholders having regard to:

- the number of Ineligible Shareholders;
- the number and value of the New Shares which would be offered to Ineligible Shareholders; and
- the cost of complying with the legal requirements and requirements of the regulatory authorities in relevant overseas jurisdictions.

Accordingly, except as noted in section 1.2, the Rights Issue is not being extended to any Shareholder whose registered address is outside Australia and New Zealand, except to Shareholders with a registered address in Germany, Switzerland or Canada who are employees of the Group. No action has been taken to register or qualify the Rights Issue, the Rights or the New Shares, or otherwise permit the public offering of the New Shares, to any other person in any other jurisdiction.

The Company has appointed Goldman Sachs Australia Pty Ltd (**Offer Manager**) to manage the Rights Issue and act as nominee pursuant to Listing Rule 7.7.1(c) to arrange the sale of the Rights of Ineligible Shareholders on ASX if there is a viable market in the Rights and a premium over the expenses of sale can be obtained. Any sale will be at a price or prices and on such terms as the Offer Manager determines in good faith, with the objective of achieving the best price reasonably obtainable at the time of the sale given conditions in the market for Rights. Any interest earned on the proceeds of sale of the Rights will be applied against the expenses of such sale including any brokerage.

The proceeds of sale (if any) will be distributed pro-rata to each Ineligible Shareholder (after deducting the costs of the sale and net of any withholdings required by law). Neither the Company nor the Offer Manager will be liable for any failure to sell the Rights of Ineligible Shareholders at all or at any particular price.

Any Rights of Ineligible Shareholders not sold by the Offer Manager on ASX will be acquired by the Underwriter pursuant to the Underwriting Agreement.

1.5 Acquisition of Rights

The Rights may only be purchased, on ASX or otherwise, and exercised by Eligible Shareholders and by persons in Australia and New Zealand and persons in Canada (British Columbia, Ontario and Quebec provinces), European Economic Area (Denmark, Germany and Netherlands), Hong Kong, Norway, Singapore, Switzerland and the United Kingdom meeting certain eligibility criteria that are set out in the Rights Issue and Share Buy Back Offer Presentation (refer to the section entitled "International Offer Restrictions"). Rights may not be purchased or exercised by persons in the United States or by persons who are acting for the account or benefit of persons in the United States. Please refer to the ASX Bulletin dated 22 December 2014 for further information about the ability of investors to purchase Rights on ASX and exercise those Rights.

A person who acquires Rights on ASX or otherwise will by exercising those Rights be treated as:

- agreeing to being bound by the provisions of the Company's constitution;
- authorising the Company to register them as the holder of New Shares and authorise the Company and its officers or agents to do anything on their behalf necessary for the New Shares to be issued to them;
- having warranted that:
 - unless they are an Approved US Securityholder participating solely in the U.S. private placement, they are not in the United States and are not acting for the account or benefit of a person in the United States;
 - they and each person on whose account they are acting are not engaged in the business of distributing securities;

- they are purchasing New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;
 - they and each person on whose account they are acting have not and will not send this Booklet, the Entitlement and Acceptance Form or any materials relating to the Rights Issue to any person in the United States or that is acting for the account or benefit of a person in the United States or any other country outside Australia and New Zealand;
 - if they decide to sell or otherwise transfer any New Shares, they will only do so in regular way transactions on the ASX or otherwise where neither they or any person acting on their behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States;
 - if they are acting as a nominee or custodian, each beneficial holder on whose behalf they are submitting the Entitlement and Acceptance Form 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 all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered; and
 - they are eligible under applicable securities laws to exercise Rights and acquire New Shares under the Rights Issue; and
- having acknowledged for themselves and on behalf of each person on whose account they are acting that New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia or New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent they are holding shares in the Company for the account or benefit of a person in the United States) except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; having further acknowledged that the New Shares may only be offered, sold or resold outside the United States in “offshore transactions” (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act.

1.6 Quotation of New Shares

The Company has applied for the grant by ASX of official quotation of the New Shares.

It is expected that trading will commence in relation to the New Shares issued under the Rights Issue on 28 January 2015 on a normal settlement basis. The Company disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares before the New Shares are granted official quotation by ASX or receiving their holding statements, whether on the basis of confirmation of the allocation provided by the Company or the Registry or otherwise.

1.7 Share Buy Back Offer

The Company is conducting the Share Buy Back Offer concurrently with the Rights Issue. Shareholders eligible to receive the Share Buy Back Offer (**Eligible Participants**) will be sent a separate Share Buy Back Offer Booklet. The Share Buy Back Offer provides Eligible Participants with an opportunity to sell their Existing Shares, should they wish to do so.

The Company will, pursuant to the Share Buy Back Offer offer to buy back ordinary shares at A\$0.1650 per Existing Share (which is the same price at which New Shares are being offered for issue under the Rights Offer). The Share Buy Back Offer is capped at a maximum of A\$24.5 million (US\$20 million)⁵ which may be reduced if it would result in Centerbridge becoming a Majority Stockholder (the **Buyback Limit**). If acceptances are received in excess of the Buyback Limit, the Share Buy Back Offer will be scaled back on a pro rata basis.

Eligible Participants may accept the Share Buy Back Offer in respect of some or all of their Shares. If you are an Eligible Participant and wish to accept the Share Buy Back Offer, you should read the Share Buy Back Offer Booklet carefully and in its entirety.

New Shares will not be eligible to participate in the Share Buy Back Offer.

5. Australian dollar equivalent of US\$20 million at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD.

2. TAX IMPLICATIONS

2.1 General

These sections 2.1 through 2.6 summarise general Australian taxation implications of the Rights Issue for Australian resident Eligible Shareholders who hold their Shares on capital account for Australian income tax purposes. This summary does not comment on the Australian or foreign tax implications of the Buy-Back for non-Australian resident shareholders.

This summary does not apply to Shareholders who are banks or insurance companies, or carry on a business of trading in shares, or otherwise hold their Shares on revenue account (rather than capital account) or as trading stock for Australian income tax purposes. This summary also does not apply to Shares acquired under an employee share scheme. The comments in this summary are general in nature. The precise income taxation implications of the Rights Issue will depend upon each Shareholder's specific circumstances. Accordingly, all Shareholders should seek their own independent taxation advice before reaching any conclusions as to the possible taxation consequences of the Rights Issue. Neither Boart Longyear, nor any of its directors, officers, employees, taxation advisors or other advisors accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Rights Issue.

This summary is based on Australian taxation law and administrative practice as at the time of issue of this Booklet.

2.2 Issue of Rights

The issue of the Rights should not itself result in any amount being included in the assessable income of an Eligible Shareholder under Australian taxation law.

2.3 Disposal of Rights

The disposal of Rights will constitute a capital gains tax (CGT) event for Australian tax purposes. An Eligible Shareholder will make a capital gain if the capital proceeds from the disposal exceed the cost base of the Rights. As Eligible Shareholders will not pay anything to acquire their Rights, the cost base of the Rights for CGT purposes should consist only of non-deductible incidental costs (if any) or acquiring the Rights.

If an Eligible Shareholder is an individual, trust or complying superannuation fund, the Eligible Shareholder may be entitled to discount CGT treatment in respect of a capital gain made on the disposal of their Rights where the Eligible Shareholder has held the Rights for at least 12 months prior to the disposal. For CGT purposes, an Eligible Shareholder will be taken to have acquired its Rights at the time that the Shares to which the Rights relate were acquired. Generally, this means that to benefit from the CGT discount in respect of a disposal of their Rights, the Shares to which the Rights relate must have been held for at least 12 months before the disposal of the Rights occurs.

If the CGT discount is applicable, the amount of the capital gain remaining after the application of any capital losses is reduced by 50% in the case of an individual or a trust (other than a trust that is a complying superannuation entity) or by one-third if the gain is made by a complying superannuation entity. The question of whether a capital gain made by a trust on the disposal of Rights is taxed in the hands of the trustee or a beneficiary, and the amount of tax payable on the gain, depends on the terms of the trust and in some cases decisions made by the trustees. Trustees and beneficiaries should obtain their own taxation advice on this issue.

2.4 Taking up Rights

Eligible Shareholders will not make any capital gain or loss, or derive any assessable income, from taking up Rights or subscribing for and acquiring the New Shares.

2.5 New Shares

Eligible Shareholders who take up their Rights will be issued New Shares. Any future dividends or other distributions made in respect of those New Shares will be subject to the same taxation treatment as dividends or other distributions made on Shares held in the same circumstances.

On any future disposal of New Shares, Eligible Shareholders may make a capital gain or capital loss, depending on whether the capital proceeds of that disposal are more than the cost base or less than the "reduced cost base" of the New Shares. The cost base of those Shares will be equal to the Offer Price paid by them for those Shares plus certain non-deductible incidental costs they incur in acquiring them. In general, the "reduced cost base" of the shares should be the same as the cost base.

If an Eligible Shareholder is an individual, trust or complying superannuation fund, the Eligible Shareholder may be entitled to the CGT discount on the disposal of New Shares (see above). New Shares will be treated for the purposes of the CGT discount as having been acquired when the Eligible Shareholder exercised the Entitlement to subscribe for them. Accordingly, in order to benefit from the CGT discount in respect of a disposal of New Shares, the New Shares must have been held for at least 12 months after the date on which the Eligible Shareholder exercised the Entitlement to subscribe for the New Shares.

2.6 Other Australian taxes

No Australian Goods and Services Tax (GST) should be payable in respect of the grant or exercise of the Rights or the acquisition of New Shares. No stamp duty should apply to the grant, exercise or transfer of Rights or the acquisition or transfer of New Shares.

3. ACTIONS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS

3.1 What you may do – choices available

If you are an Eligible Shareholder, you may do any one of the following:

- take up all or some of your Rights;
- sell all or some of your Rights on ASX;
- transfer all or some of your Rights to another person (other than via ASX); or
- do nothing, in which case all of your Rights will lapse.

3.2 If you wish to take up all or some of your Rights

If you are an Eligible Shareholder and you wish to take up all or some of your Rights, please complete and return the Entitlement and Acceptance Form to the Registry with the requisite Application Monies (or pay your Application Monies via BPAY®) by following the instructions set out on the Entitlement and Acceptance Form. You can also apply online by visiting www.boartlongyear.com and following the prompts.

If you take up and pay for all or some of your Rights before the close of the Rights Issue at 5.00pm (AEDT) on the Record Date, you will be allotted your New Shares on 27 January 2015.

The Company reserves the right (in its absolute discretion) to reduce the number of New Shares allocated to Eligible Shareholders, or persons claiming to be Eligible Shareholders, if their claims prove to be overstated or if they or their nominees fail to provide information to substantiate their claims.

If you do not take up all your Rights, you may choose to sell or transfer the balance (see sections 3.3 and 3.4) or you may do nothing and let the balance of your Rights lapse (see section 3.5).

3.3 If you wish to sell all or some of your Rights on ASX

Eligible Shares can sell their Rights on ASX from 22 December 2014 on a deferred settlement basis, with normal settlement trading expected to commence on 31 December 2014. All sales on ASX must be effected by 4.00pm (AEDT) on 12 January 2015, when Rights trading ends on ASX.

If you wish to sell all or some of your Rights on ASX, read the section headed “Instructions to your Stockbroker” on the accompanying Entitlement and Acceptance Form, follow those instructions and lodge the form with your stockbroker as soon as possible, or otherwise provide instructions to your stockbroker to sell all or some of your Rights on ASX. The Company takes no responsibility for any failure by your stockbroker to carry out your instructions.

If you do not sell all your Rights on ASX you may choose to take up the balance (see section 3.2), sell the balance of your Rights otherwise than on ASX (see section 3.4) or you may do nothing and let the balance of your Rights lapse (see section 3.5).

3.4 If you wish to transfer all or some of your Rights to another person other than on ASX

If you are an Eligible Shareholder and you wish to transfer all or some of your Rights to another person other than on the ASX, you will need to complete and forward a Renunciation and Transfer Form with the applicable transferee's requisite Application Monies (or the transferee can pay the Application Monies via BPAY®) in relation to those Rights you wish to transfer.

You can obtain a standard Renunciation and Transfer Form through the Boart Longyear Investor Information Line or from your stockbroker.

The Renunciation and Transfer Form and Application Monies must be received by the Registry no later than 5.00pm (AEDT) on the Closing Date.

If the Registry receives both a completed Renunciation and Transfer Form and a completed Entitlement and Acceptance Form in respect of the same Rights, the Renunciation and Transfer Form will be given effect in priority to the Entitlement and Acceptance Form.

If you do not transfer all your Rights otherwise than on ASX you may choose to take up the balance (see section 3.2), sell the balance of your Rights on ASX (see section 3.3) or you may do nothing and let the balance of your Rights lapse (see section 3.5).

3.5 If you do nothing – Rights not taken up or sold

If you do not wish to take up or sell your Rights, you can simply do nothing.

If you have not sold your Rights and you have not completed your personalised Entitlement and Acceptance Form or it has not been received by the Registry by 5.00pm (AEDT) on the Closing Date or your cheque/bank draft/money order or BPAY® payment has not been received by the Registry on or prior to 5.00pm (AEDT) on the Closing Date, your Rights will lapse. Shareholders who do not take up or sell any Rights will not receive any payment or value for the Rights they do not take up or sell and their percentage shareholding in the Company will be diluted.

3. ACTIONS TO BE TAKEN BY ELIGIBLE SHAREHOLDERS (CONTINUED)

3.6 How to make payment for the Rights Issue

General

You can pay in the following ways:

- by BPAY®; or
- by cheque, bank draft or money order.

Cash payments will not be accepted and receipts for payment will not be issued.

If you do not pay for all of your Rights, the Company will treat you as applying for as many New Shares as your payment will pay for in full.

Application Monies received from Eligible Shareholders will be held in the Registry's Managed Trust Account solely for the purpose of holding the Application Monies. Any Application Monies received for more than your final allocation of New Shares will be refunded (except for where the amount is less than A\$1.00, in which case it will be donated to a charity chosen by Boart Longyear). No interest will be paid on any Application Monies received or refunded.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY®, or cheque, bank draft or money order you will be deemed to have represented that you are an Eligible Shareholder.

Payment by BPAY®

For payment by BPAY®, please follow the instructions on the personalised Entitlement and Acceptance Form (which includes the Biller Code and your unique Reference Number) or on the confirmation page of your online application which can be submitted at www.boartlongyear.com. **You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.**

Please note that should you choose to pay by BPAY®:

- you do not need to submit the personalised Entitlement and Acceptance Form but are taken to have made the declarations on that personalised Entitlement and Acceptance Form; and
- if you do not pay for all of your Rights, you are deemed to have taken up your Rights in respect of such whole number of New Shares which is covered in full by your Application Monies and the remaining Rights will be treated as not having been taken up.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 5.00pm (AEDT) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment and you should therefore take this into consideration when making payment.

Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, you should complete your personalised Entitlement and Acceptance Form in accordance with the instructions set out on that form and return it accompanied by a cheque, bank draft or money order in Australian currency for the amount of the Application Monies, payable to "Boart Longyear Limited Rights Offer" and crossed "Not Negotiable".

Your cheque, bank draft or money order must be:

- for an amount equal to A\$0.1650 multiplied by the number of New Shares that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

You should ensure that sufficient funds are held in the relevant account(s) to cover the Application Monies. If the amount of your cheque for Application Monies (or the amount for which the cheque clears in time for allocation) is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower number of whole New Shares as your cleared Application Monies will pay for (and taken to have specified that number of New Shares on your personalised Entitlement and Acceptance Form). Alternatively, your application will not be accepted.

3.7 Mailing address

To participate in the Rights Issue, your payment must be received no later than the close of the Rights Issue, at 5.00pm (AEDT) on the Closing Date. Eligible Shareholders who make payment via cheque, bank draft or money order should mail their completed personalised Entitlement and Acceptance Form together with Application Monies using the reply paid or self-addressed envelope provided with this Booklet, or deliver to:

By mail

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

By hand (please do not use this address for mailing purposes)

Boart Longyear Limited
c/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

3.8 Effect of participating

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY® or otherwise applying to participate, you:

- declare that:
 - all details and statements made in the Entitlement and Acceptance Form are complete and accurate;
 - you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Rights Issue; and
 - you were the registered holder(s) at the Record Date of the Shares indicated on the Entitlement and Acceptance Form as being held by you cum rights on the Record Date;

(b) acknowledge that:

- (i) once the Company receives the Entitlement and Acceptance Form with the requisite Application Monies or your payment by BPAY®, you may not withdraw it except as allowed by law;
- (ii) the information contained in this Booklet is not investment advice or a recommendation that the New Shares are suitable for you, given your investment objectives, financial situation or particular needs; and
- (iii) you have read and understood this Booklet and the Entitlement and Acceptance Form;

(c) agree to:

- (i) apply for, and be issued with up to, the number of New Shares that you apply for at the Offer Price of A\$0.1650 per New Share; and
- (ii) be bound by the terms of this Booklet and the provisions of the Company's constitution;

(d) authorise the Company to register you as the holder of New Shares and authorise the Company and its officers or agents to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instruction of the Registry by using the contact details set out in the Entitlement and Acceptance Form;

(e) represent and warrant that:

- (i) the law of any place (other than Australia and New Zealand) does not prohibit you from being given this Booklet or making an application for New Shares; and
- (ii) you are an Eligible Shareholder.

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY® or otherwise applying to participate, you will also be treated as:

(a) having represented and warranted that:

- (i) you are not in the United States and are not acting for the account or benefit of a person in the United States;
- (ii) you and each person on whose account you are acting are not engaged in the business of distributing securities;
- (iii) you and each person on whose account you are acting acknowledge that the New Shares have not, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent they are holding shares in the Company for the account or benefit of a person in the United States) except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the

Securities Act and any other applicable securities laws; you further acknowledge that the New Shares may only be offered, sold or resold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;

(iv) you are purchasing New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;

(v) you and each person on whose account you are acting have not and will not send this Booklet, the Entitlement and Acceptance Form or any other materials relating to the Rights Issue to any person in the United States or that is, or is acting for the account or benefit of a person in the United States or any other country outside Australia and New Zealand;

(vi) if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX or otherwise where neither you or any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States;

(vii) if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form 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 all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered; and

(viii) you are eligible under applicable securities laws to exercise Rights and acquire New Shares under the Rights Issue; and

(b) having acknowledged yourself and on behalf of each person on whose account you are acting that New Shares have not been, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and New Zealand and accordingly, the New Shares may not be offered, sold or otherwise transferred to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent they are holding shares in the Company for the account or benefit of a person in the United States) except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; having further acknowledged that the New Shares may only be offered, sold or resold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act.

4. ASX ANNOUNCEMENTS

4.1 Rights Issue and Share Buy Back Offer Presentation

The Rights Issue and Share Buy Back Offer Presentation included in this Booklet is the Rights Issue and Share Buy Back Offer Presentation released to ASX on 18 December 2014, amended to reflect the amendments made to the Offer Price and the price at which the Company is offering to buy back Shares under the Share Buy Back Offer.



LS600 - Poland

Rights Issue and Share Buy Back: 18 December 2014

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

 **BOART LONGYEAR**

Important Notice and Disclaimer

Disclaimer

- This investor presentation (Presentation) has been prepared by Boart Longyear Limited, ABN 49 123 052 728 (Boart Longyear or the Company) in relation to a pro-rata renounceable rights offer (Rights Issue) of new ordinary shares (New Shares) and an equal access off-market share buy back (Share Buy Back) by Boart Longyear of existing ordinary shares (Existing Shares).

Summary Information

- This Presentation contains summary information about the current activities of the Company and its subsidiaries as at the date of this Presentation. The information in this Presentation is of a general nature and does not purport to be complete. This Presentation does not purport to contain all the information that an investor should consider when making an investment decision nor does it contain all the information which would be required in a disclosure document or prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with the Company's previous announcements in respect of the Company's recapitalisation, including the recapitalisation announcement and accompanying investor presentation dated 23 October 2014 and the Explanatory Statement and Notice of Extraordinary General Meeting and Independent Expert's Report dated 18 November 2014 as well as other periodic and continuous disclosure announcements lodged with the Australian Securities Exchange, which are available at www.asx.com.au. None of the Company or its subsidiaries or the underwriter or offer manager gives any warranties in relation to the statements and information in this Presentation.

Not an offer

- This Presentation is for information purposes only and is not a prospectus, disclosure document, product disclosure statement or other offering document under Australian law or any other law (and will not be lodged with the Australian Securities and Investments Commission (ASIC)). The Presentation is not and should not be considered an offer or an invitation to acquire rights or New Shares or any other financial products.
- This Presentation may not be released or distributed in the United States. This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or in any other jurisdiction in which such an offer would be unlawful. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold, directly or indirectly, in the United States, unless they have been registered under the U.S. Securities Act, or are offered and sold in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and any other applicable state securities laws.
- In addition, any person who is in the United States or who is a U.S. Person is not entitled to participate, directly or indirectly, in the Share Buy Back. Boart Longyear will not accept share tenders: (a) from any person who does not represent that they are not (and they are not acting on behalf of or for the account of a person who is) in the United States or a U.S. Person; or (b) that have been postmarked in the United States or that otherwise appear to Boart Longyear or its agents to have been sent from the United States.
- The distribution of this Presentation in other jurisdictions outside Australia may also be restricted by law and any such restrictions should be observed. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Financial Data

- This presentation includes certain financial data that may be considered "non-GAAP financial measures" under Regulation G of the U.S. Securities Exchange Act of 1934. Such non-GAAP financial measures do not have a standardised meaning prescribed by Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS) and may not be comparable to similarly titled measures presented by other entities, and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS.
- In addition, this presentation contains pro forma financial information. The pro forma financial information has been prepared by the Company in accordance with the measurement and recognition requirements, but not the disclosure requirements, of applicable accounting standards and other mandatory reporting requirements in Australia. Investors should also note that the pro forma financial information does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Important Notice and Disclaimer (cont.)



Not Financial Product Advice

- This Presentation does not constitute financial product or investment advice (nor tax, accounting or legal advice) nor is it a recommendation to acquire rights or New Shares or to participate in the Share Buy Back and does not and will not form any part of any contract for the acquisition of rights or New Shares or the sale of Existing Shares. This Presentation has been prepared without taking into account the objectives, financial situation or needs of individuals. Before making an investment decision, you should consider the appropriateness of the information having regard to your own objectives, financial situation and needs and seek appropriate advice, including financial, legal and taxation advice appropriate to your jurisdiction. The Company is not licensed to provide financial product advice in respect of New Shares or Existing Shares. Cooling off rights do not apply to the acquisition of New Shares or the sale of Existing Shares.

Future Performance

- This Presentation contains certain "forward-looking statements". The words "forecast", "estimate", "likely", "anticipate", "believe", "expect", "project", "opinion", "predict", "outlook", "guidance", "intend", "should", "could", "may", "target", "plan", "project", "consider", "foresee", "aim", "will" and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements, and include statements in this Presentation regarding the conduct and outcome of the Rights Issue and Share Buy Back and the use of proceeds of the Rights Issue. You are cautioned not to place undue reliance on forward looking statements. While due care and attention has been used in the preparation of forward-looking statements, forward-looking statements, opinions and estimates provided in this Presentation are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. Forward-looking statements including projections, guidance on future earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. The Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

Past Performance

- Past performance and pro-forma historical information in this Presentation is given for illustrative purposes only and should not be relied upon (and is not) an indication of future performance including future share price information. Historical information in this Presentation relating to the Company is information that has been released to the market. For further information, please see past announcements released to ASX.



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Important Notice and Disclaimer (cont.)



Rounding

- A number of figures, amounts, percentages, estimates, calculations of value and fractions in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Presentation.

Investment Risk

- An investment in New Shares and the retention of Existing Shares are subject to investment and other known and unknown risks, some of which are beyond the control of the Company including possible loss of income and principal invested. The Company does not guarantee any particular rate of return or the performance of the New Shares or any retained Existing Shares, nor does it guarantee the repayment of capital or any particular tax treatment. In considering an investment in New Shares or participation in the Share Buy Back, you should have regard to (amongst other things) the risks outlined in this Presentation.

Disclaimer

- None of the underwriter, the offer manager nor any of their advisers, nor the advisers to the Company, have authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Presentation and, except to the extent referred to in this Presentation, do not make or purport to make any statement in this Presentation and there is no statement in this Presentation which is based on any statement by any of those parties.
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- Statements made in this Presentation are made only as at the date of this Presentation. The information in this Presentation remains subject to change without notice.

Offer manager

- The offer manager, together with its affiliates, is a full service financial institution engaged in various activities, including trading, financial advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services including for which they have received or may receive customary fees and expenses. The offer manager, in conjunction with its affiliates, is acting as a financial advisor to Boart Longyear in connection with Boart Longyear's announced strategic review, including announced recapitalisation. An affiliate of the offer manager acted as arranger to the associated tender offer. The offer manager is acting as offer manager to the entitlement offer. The offer manager and/or its affiliates may receive fees and/or customary expenses for acting in these capacities. An affiliate of the offer manager has received proceeds from the recapitalisation in repayment of an existing loan with Boart Longyear and/or its affiliates.



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4. ASX ANNOUNCEMENTS (CONTINUED)

4.1 Rights Issue and Share Buy Back Offer Presentation (continued)

Overview



- On 23 October 2014, Boart Longyear announced it had entered into agreement with Centerbridge in relation to a comprehensive recapitalisation transaction (**Recapitalisation**)
- Prior to the Extraordinary General Meeting (**EGM**) on 17 December 2014, the following components of the Recapitalisation were completed
 - Repayment of the former revolver and draw down of Term Loan A of US\$120 million provided by Centerbridge
 - Successful tender and repurchase of US\$105 million aggregate principal amount of the Existing Secured Notes funded primarily by a draw down of Term Loan B of US\$105 million provided by Centerbridge
 - Initial Placement of US\$5.6 million to Centerbridge taking its holding to 19.9%
- The EGM was held on 17 December 2014 and shareholders approved the resolutions required to implement the remaining components of the Recapitalisation. Subsequently, the following have been completed
 - Follow-on conditional placement to Centerbridge of US\$21 million taking its holding to 36.9%
 - Payment by Centerbridge of a US\$0.6 million premium related to the Initial Placement
- The remaining components of the Recapitalisation yet to be completed include:
 - Rights Issue of A\$103.1 million¹ (fully underwritten by Centerbridge)
 - Off-market buy-back of ordinary shares capped at A\$24.5 million²
 - Exchange of Centerbridge's US\$16 million holding of Existing Unsecured Notes for equity



1. Australian dollar equivalent of US\$84 million as at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD
2. Australian dollar equivalent of US\$20 million as at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD

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Details of the Rights Issue



Size and structure	<ul style="list-style-type: none"> 0.9798 for 1 pro rata traditional renounceable rights issue to raise approximately A\$103.1 million (US \$84 million¹) <ul style="list-style-type: none"> Fully underwritten by Centerbridge Approximately 624.6 million new Shares to be issued ("New Shares") if 100% take up of rights
Offer price	<ul style="list-style-type: none"> A\$0.1650 per New Share <ul style="list-style-type: none"> Australian dollar equivalent of US\$0.1350¹ 1.6% premium to the theoretical ex-rights price of A\$0.1625 3.1% premium to Boart Longyear's closing price on 17 December 2014 4.2% discount to Boart Longyear's 5 day VWAP as of 17 December 2014 10.1% discount to Boart Longyear's 1 month VWAP as of 17 December 2014
Underwriting	<ul style="list-style-type: none"> Offer is fully underwritten by Centerbridge
Rights trading	<ul style="list-style-type: none"> Rights will be tradable on the ASX Rights trading will commence on 22 December 2014 and will cease at 4:00pm on 12 January 2015²
Renounced right	<ul style="list-style-type: none"> Existing Shareholders who do not take up or sell their rights on the ASX or otherwise will not realise value for their rights
Ranking	<ul style="list-style-type: none"> New Shares issued under the Rights Issue will rank pari passu with existing ordinary shares



1. Australian dollar equivalent as at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD rounded to the nearest A\$0.005. USD raising amount assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015
2. Refer to slide 39 for information on restrictions on the eligibility criteria to exercise Rights

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Benefits of the New Equity Capital



Highlights

Fully committed equity injection of A\$103.1 million (US\$84 million¹)

Proceeds expected to provide Boart Longyear with additional cash proceeds to reduce net debt and provide greater liquidity

Company is expected to be better positioned to sustain operations through to market recovery

Eligible shareholders may choose to participate by investing alongside Centerbridge

Existing shareholders can realise value through rights trading if they choose not to participate



1. Australian dollar equivalent as at 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD. USD raising amount assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015

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Details of the Share Buy Back Offer



Size and structure

- Share Buy Back Offer is subject to a cap of A\$24.5 million (Buyback Limit)
 - The Australian dollar equivalent of US\$20 million¹ as at 17 December 2014
 - The Buyback Limit will be reduced if the Share Buy Back Offer would result in Centerbridge owning more than 49.9% of the voting power of the Company's voting stock
- The Share Buy Back Offer will be scaled back on a pro-rata basis if acceptances are received in excess of the Buyback Limit
- Centerbridge will not accept the Share Buy Back Offer in respect of any Shares held by it on the record date for the Share Buy Back Offer

Buy Back Offer price

- A\$0.1650 per Existing Share
 - Australian dollar equivalent of US\$0.1350² determined on 17 December 2014

Source of funds

- The Company will fund the Share Buy Back Offer through the issue of Shares to Centerbridge at A\$0.1650 per share
- Centerbridge will be issued Convertible Preference Shares instead of Shares to the extent any issue of Shares to Centerbridge would result in Centerbridge owning more than 49.9% of the voting power of the Company's voting stock



1. FX rate of 1 AUD = 0.8151 USD as at 17 December 2014.
2. Australian dollar equivalent as at 17 December 2014, at an FX rate of 1 AUD = 0.8151 USD rounded to the nearest A\$0.005

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4. ASX ANNOUNCEMENTS (CONTINUED)

4.1 Rights Issue and Share Buy Back Offer Presentation (continued)

Indicative Timetable – Rights Issue and Share Buy Back



Event – Rights Issue timetable	Date
Launch Rights Issue	18 December 2014
Rights commence trading	22 December 2014
Record date for Rights Issue	24 December 2014
Open date for Rights Issue	30 December 2014
Rights trading ends	12 January 2015
Closing date for Rights Issue	5:00pm (AEDT) on 19 January 2015
Settle Rights Issue	27 January 2015

Event – Share Buy Back Offer timetable	Date
Record date for Share Buy Back Offer	24 December 2014
Open date for Share Buy Back Offer	30 December 2014
Closing date for Share Buy Back Offer	5:30pm (AEDT) on 19 January 2015
Shares cancelled pursuant to Share Buy Back Offer	
Shares or Convertible Preference Shares issued under the Buy Back Subscription Agreement	27 January 2015

The above timetable is indicative only and subject to change. Boart Longyear reserves the right to amend any or all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Boart Longyear reserves the right to extend the closing date of the Rights Issue and Share Buy Back Offer, to accept late applications for the Rights Issue and the Share Buy Back Offer either generally or in particular cases or to withdraw the offers without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX. All references to time are a reference to Australian Eastern Daylight Time (AEDT).



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Sources & Uses | Pro Forma Capitalisation



Recapitalisation decreases net debt by ~US\$90m and increases pro-forma cash liquidity to ~US\$210m⁴

Sources ¹	US\$m	Uses ¹	US\$m
New Term Loan-Tranche A	120	Bank Revolver	38
New Term Loan-Tranche B	105	Sr. Secured Notes Tender Offer-par	105
Initial Equity Placement	6	Sr. Secured Notes Tender Offer-premium & accrued and unpaid interest	9
Follow-On Equity Placement	21	Sr. Unsecured Note Equitisation	16
Rights Issue	84	Estimated Transaction Fees	35
Sr. Unsecured Notes Equitisation	16	Cash to Balance Sheet (post fees) ²	149
Total Sources	352	Total Uses	352

Pro-Forma Capitalisation	30 June 2014	Transaction Announcement	Equity	Debt	Post Refinance	Conditional Placement	Equity Issues	Sr. Unsecured Notes Recapitalisation	Estimated Transaction Fees	Pro-Forma Post Recap.	Maturity	Interest rate
Bank Revolver	38	(38)	-	-	-	-	-	-	-	-	Jul 2016	L + 47bps
Sr. Secured Notes	300	-	-	(105)	195	-	-	-	-	195	Oct 2018	10.0%
Sr. Unsecured Notes	300	-	-	-	300	-	-	(16)	-	284	Apr 2021	7.0%
New Term Loan - Tranche A	-	120	-	-	120	-	-	-	-	120	Oct 2020	12.0% A.L. ³
New Term Loan - Tranche B	-	-	-	105	105	-	-	-	-	105	Oct 2018	12.0% A.L. ³
Total Debt	638	82	-	120	723	-	-	(16)	-	724		
Initial Equity Placement	-	-	6	-	6	1	-	-	-	6		
Follow-On Equity Placement	-	-	-	-	-	21	-	-	-	21		
Rights Issue	-	-	-	-	-	-	84	-	-	84		
Sr. Unsecured Notes Equitisation	-	-	-	-	-	-	-	16	-	16		
Total New Issued Capital and Convertible Preference Shares	-	-	6	-	6	22	84	16	-	127		
Sr. Secured Notes Tender Premium & accrued and unpaid interest	-	-	-	(9)	(9)	-	-	-	-	(9)		
Estimated Transaction Fees	-	-	-	-	-	-	-	-	(35)	(35)		
Total Cash	68	82	6	(9)	147	22	84	-	(35)	217		
Net Debt	570	-	(6)	9	572	(22)	(64)	(16)	35	487		

Note: Company may replace up to US\$50m of Tranche A with an ABL facility

- Sources and uses assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015) and that existing revolver balance is unchanged from 30 June 2014 balance.
- Includes \$US10.2m of restricted cash for letters of credit support.
- Stands for Accrue Interest.
- Assuming US\$6m of cash on balance sheet as at 30 June 2014 and that cash to balance sheet from the transaction is US\$149m. Excludes US\$10.2m of restricted cash for letters of credit support.



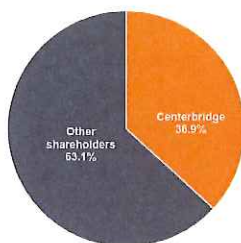
10

Pro Forma Shareholding



Shareholder Impact assuming 100% and 0% take-up of rights

Shareholding (pre rights issue)

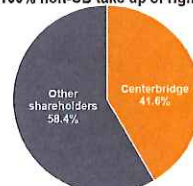


New Equity

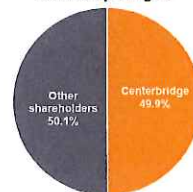
- A\$103.1m (US\$84m) pro-rata renounceable rights issue*
- US\$16m equitisation to Centerbridge



Shareholding (post transaction) – 100% non-CB take up of rights¹



Shareholding (post transaction) 0% take up of rights²



1. Shareholdings post transaction assume 100% take-up of rights and that there are no shares bought back in the Share Buy Back Offer.
2. Shareholdings post transaction assume 0% take up of rights and the full A\$24.5m is bought back under the Share Buy Back Offer.
3. Centerbridge will also be issued with Convertible Preference Shares with a value of US\$117.5 million.

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Risk Factors



There are a number of factors, both specific to Boart Longyear, and of a general nature, which may affect the future results of operation, financial performance and business of Boart Longyear, its investment returns, the value of its Shares and its funding requirements. Many of the circumstances giving rise to these risks are beyond the control of Boart Longyear. This section describes certain specific areas that are believed to be the key risks associated with an investment in Boart Longyear. Each of the risks described below could, if they eventuate, have a material adverse effect on Boart Longyear's business, results of operation and financial performance.

You should note that the risks in this section are not exhaustive of the risks faced by a potential investor in Boart Longyear. Additional risks that Boart Longyear is unaware of, or that it currently considers to be immaterial, may also become important factors that adversely affect Boart Longyear's business, results of operation and financial performance. You should consider carefully the risks described in this section, as well as other information in this presentation, and consult your financial or other professional adviser before making an investment decision.

Risks specific to Boart Longyear and the drilling industry

Industry cyclicality and volatility

- Boart Longyear's operational and financial performance is highly correlated with the market conditions for mineral exploration, development and production and the related level of spending by mining companies, in particular, spending related to exploration, project definition and other development activities. The Company's prospects, particularly in the short and medium-term, could be affected by many factors, including:
 - the level and volatility of commodity prices, especially gold, copper and iron ore
 - anticipated pricing and demand for commodities
 - projected commodity supply and mine production capacity
 - costs associated with the development, extraction and production of commodities
 - the availability of financing for mining companies, especially junior miners
 - the impact of government regulations and political attitudes towards the ongoing development and operation of mining projects



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4. ASX ANNOUNCEMENTS (CONTINUED)

4.1 Rights Issue and Share Buy Back Offer Presentation (continued)

Risk Factors (cont.)



Liquidity risks and other financial risks arising from industry uncertainty

- The Company is not able to predict the timing, extent and duration of the economic cycles in the global markets in which it operates. If the current downturn in the Company's markets continues for an extended period, if market conditions continue to deteriorate or if there are further extended downturns in the drilling services and products industry in the future, there may be further negative impacts on Boart Longyear's revenues, profits and financial position. In particular, the Company may lack sufficient liquidity to fund its operations in the ordinary course or may be unable to repay its debt or other financial obligations when they come due. In addition, if mineral exploration activity should recover sharply, the Company may lack sufficient working capital to fund all necessary rig maintenance and refurbishment activity, inventory build-ups, hiring and training initiatives and other costs associated with re-starting drilling and manufacturing operations and it may lose market share as a result of such capital constraints.
- The Company's variable cost structure is a key advantage that allows it to operate its business with significant flexibility. Boart Longyear is committed to continuously review its cost structure and identify opportunities to optimise operating efficiencies. The Company has, however, reduced its overall cost structure by nearly US\$900 million since the onset of the current mining industry downturn in mid-2012. Further cost reductions, therefore, should they become necessary, may require the Company to exit certain key markets or pursue other cost reductions that may adversely impact market share or the Company's ability to pursue higher-growth business in a recovering market environment. In addition, it is uncertain whether the Company will be able to maintain all such cost reductions.

Business interruptions from sovereign or geo-political risks

- Geo-political risks and sovereign risks, especially in developing countries, may lead to disruptions in mining activities regionally or globally. The extent of the Company's international operations and the locations in which its operations are located subject the Company to business risks arising from factors such as war or civil disturbance, political, social and economic instability, corruption, nationalisation, expropriation without fair compensation or cancellation of contract rights, significant changes in government policies, breakdown of the rule of law and regulations and new tariffs, taxes and other trade barriers. If these or other such adverse events occur, Boart Longyear's foreign operations or repatriation of earnings could be impaired or assets or employees adversely affected.

Business interruptions from natural disasters, pandemics or other natural causes

- Significant business interruptions also could result from natural disasters, adverse weather conditions, outbreaks of disease (such as Ebola) or pandemics or other acts of God.



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Risk Factors (cont.)



Adverse impacts of competitive pressures

- Current depressed conditions in the Company's markets have led to a global oversupply of rigs and manufacturing capacity for drilling services and products. Competition among providers in those markets has led to significant price erosion, especially for drilling services, and a resulting decline in revenues and profitability. The persistence of these pressures could further impact the Company's financial performance.
- At times of decreased demand for drilling services, smaller competitors may be able to better compete on price due to their lower overhead costs or willingness to operate at lower margins than Boart Longyear or other larger, publicly listed competitors. In addition to declining revenues and profitability due to price erosion, such competition could lead to a loss of market share or other adverse effects.
- The threat of increased competition, especially in the drilling services market, may adversely affect Boart Longyear's current market share and plans for future growth. The fragmented nature of Boart Longyear's markets provides opportunities for competitors to consolidate, which may reduce the scale advantage that Boart Longyear currently enjoys. Additionally, the capital cost to acquire drilling rigs is relatively low, enabling existing competitors to expand and new competitors to enter the market and exposing the Company to the risk of reduced market share and scope for geographic growth as well as lower price and margins from its existing business.

Customer contracts

- The majority of Boart Longyear's customer contracts, particularly in its Drilling Services business, are short term in nature and subject to cancellation by the customer upon short notice and with limited or no obligations to the Company. Accordingly, contracts may not be renewed, may be renewed on less favourable terms or may be cancelled, potentially impacting the Company's financial performance and condition. Similarly, there is no certainty that the backlog of orders for the Products business will, in fact, result in actual sales at the times or in the amounts ordered because customers may cancel their orders, in some cases without penalty. For many of the Company's customers, Boart Longyear's services and products are variable costs that they can seek to reduce in a downturn, especially with respect to exploration activities. These factors limit the Company's visibility with respect to future cash flow and also may mean the Company will not be able to sufficiently forecast, and therefore adapt to, changing market conditions. For example, Company forecasts may result in underinvestment or overinvestment in capital expenditures or inventory, which may damage the Company's long term growth prospects or leave it with excess inventory and rig capacity.

Safety and Technical Performance

- Safety performance is a crucial consideration for mining industry companies in selecting drilling services and products providers. Unsatisfactory safety performance or the failure to maintain high safety standards in the services and products the Company delivers could result in the cancellation of contracts, the Company's disqualification from bidding for work for certain customers or the Company's loss of a current competitive advantage over many of its competitors.
- The Company may also lose business to its competitors, or be required to compete more aggressively on price (to the detriment of its profitability), if it cannot continue to demonstrate technical competence, competitive pricing and reliable performance to its customers. The Company faces significant competition in both its Products and Drilling Services businesses and a large part of its business is dependent upon obtaining work through competitive bidding processes. Failure to make continued advances in drilling technology or products could result in the commoditisation of the Company's products or services or its competitors being able to match or exceed its capabilities, reducing market share and/or negatively impacting the Company's financial results.



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Risk Factors (cont.)



Substitution of Boart Longyear's products

- Continued product improvement by competitors may result in the Boart Longyear's customers using substitutes in place of some of the Company's products. Boart Longyear may not always be able to match its competitors in both functionality and price. General technological development in the industry may render some of Boart Longyear's products obsolete or subject to significant pricing pressure as customers move to the use of substitute products and technologies.
- Developing innovative solutions and technologies can be time consuming, costly and complex. Successful design, development and introduction of innovative solutions and technologies on a timely basis requires that the Company understand customers' needs and the potential technological solutions for such needs, identify emerging technological trends in the Company's industry and respond effectively to technological changes by the Company's competitors. The Company may make substantial investments in developing innovative solutions and technologies that are not well accepted by the market.

Inability to protect intellectual property and other proprietary information.

- Patents, trademarks and other intellectual property rights are important to the success and operation of the Company's business. The Company relies upon a combination of patent, trademark, copyright and trade secret laws and contractual terms and conditions, including confidentiality obligations and agreements with its employees, customers, collaborators and suppliers, to protect its intellectual property rights and other proprietary information. There is no assurance that Boart Longyear will be able to fully protect the Company's intellectual property rights and proprietary business information. Policing the unauthorised use of the Company's intellectual property is difficult and expensive, and the Company may not be successful in identifying or in bringing actions seeking to prevent such unauthorised use, particularly in countries where the laws or legal systems may not protect the Company's intellectual property rights as fully as the United States and Australia. The loss of intellectual property rights could have a material adverse effect on the Company's business, financial condition and results of operations.

Consolidation of customers and suppliers

- Consolidation in the industries of Boart Longyear's customers or suppliers may reduce Boart Longyear's bargaining power with those customers or suppliers and lead to transactions at less advantageous terms with those customers or suppliers. If consolidations do occur, exploration and development related spending may be impacted, negatively, as companies seek to generate cost efficiencies for the combined entities.



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Risk Factors (cont.)



Existing and potential assessments by Canadian tax authorities

- The Canada Revenue Agency ("CRA") has been reviewing the Company's Canadian income tax returns for the years 2007 through 2012. The review has been conducted for two time periods, 2007 through 2009 and 2010 through 2012. The most significant contested areas of the CRA's reviews relate to three issues: (1) the transfer pricing structure and methodology used by Longyear Canada, ULC and Boart Longyear Canada for sales of products to international affiliates; (2) management fees paid to a United States affiliate; and (3) intellectual property royalties paid to a United States affiliate. The Company has received federal and provincial tax assessments for 2007 through 2009 totaling C\$45 million. No assessments have been made yet for the 2010 through 2012 tax years, which period remains under audit. The Company is contesting the Canadian tax assessments and positions through all available processes, but the outcome of such challenges is uncertain despite the Company's confidence in its position and its success in challenging nearly identical assessments for prior periods. Further, while the Company believes it is appropriately reserved for the Canadian assessments, the unfavourable resolution of the Canadian tax disputes could be material to the Company's financial condition, liquidity or results of operations.
- Requirements to post security in connection with the dispute of Canadian tax assessments may adversely affect the Company's liquidity. As required by law in Canada, the Company must provide security to contest tax assessments and, therefore, the Company may be required to provide approximately C\$26 million of security (which has not yet been required) to maintain its challenge of the assessments for 2007 through 2009. Additional security may be required for any assessments that may be received for 2010 through 2012 and subsequent tax periods. The requirement to post such additional security or to provide collateral could adversely affect the Company's liquidity.

Potential tax audits and assessments resulting from the Company's centralised entrepreneurial operating structure

- In 2009, the Company established Boart Longyear Suisse Sàrl under Swiss law and as a resident of Switzerland for Swiss tax purposes to act as the principal drilling services and products company of the Boart Longyear group. Since its formation, the Swiss company was established to organise, standardise and simplify the contractual relationships between the Company's foreign subsidiaries and to centralise the risks of performing drilling services globally and manufacturing products and holding inventory for the Company's Products division, which the Company refers to as its centralised entrepreneurial structure. Consistent with its risk-bearing obligations, the Swiss central entrepreneur guarantees each Company affiliate a certain level of profitability and remits payments to the affiliate if the profitability level is not achieved. It also is entitled to profits generated by foreign affiliates in excess of the guaranteed minimum profitability levels. All aspects of the centralised entrepreneurial structure have been reviewed by the Company's advisors from a legal, tax and operational perspective. Notwithstanding such advice, it is likely taxing authorities in many of the jurisdictions where the Company operates will evaluate the structure, and the Company may receive assessments in some jurisdictions. For example, the Company is currently under audit in the United States for the 2010 and 2011 tax years, although the audit is not complete and no assessments have been issued. Any assessments related to the centralised entrepreneurial structure in the United States or other jurisdictions may adversely affect the Company's liquidity or financial results.



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4. ASX ANNOUNCEMENTS (CONTINUED)

4.1 Rights Issue and Share Buy Back Offer Presentation (continued)

Risk Factors (cont.)



Potential adverse tax rate impacts and additional costs resulting from the Company's centralised entrepreneurial operating structure

- The industry in which the Company operates is cyclical, and the Swiss centralised entrepreneurial structure will result in payments from the Swiss entity to many of the Company's foreign affiliates in years when markets are contracting. As a result, the Company may be required to report income and pay taxes in such countries in excess of the income or losses that its foreign affiliates would have reported absent the operation of the centralised entrepreneurial structure. Accordingly, the consolidated effective tax rate for the Company will fluctuate as a result of the centralised entrepreneurial structure according to the condition of the industry and, during years in which the Company's markets are contracting, a higher corporate effective tax rate may be expected.
- Under the terms of the establishment of the central entrepreneurial structure, the Company has agreed to a certain level of employment in Switzerland, which may lead to increasing overhead costs even as earnings attributable to the structure decline. There may be one-time costs, payable to the Swiss government and to other jurisdictions, should the Company determine that it should exit the central entrepreneurial structure.

Risks arising from the tax regimes of the many different countries in which the Company operates

- The Company provides services and sells products in a number of countries around the world, including in countries that have tax regimes in which the rules are not clear, are not consistently applied and are subject to sudden change. This is especially true with regard to international transfer pricing. The Company's earnings could be reduced by the uncertain and changing nature of these risks in foreign locations. In addition, given the large number of jurisdictions in which the Company operates, the tax positions the Company has taken or tax attributes of its contracts could be challenged.

Risks arising from the Company's indebtedness

- After giving effect to this rights offering and the completion of the equitisation of US\$16 million of Centerbridge's 7% Senior Unsecured Notes, the Company will remain heavily leveraged, including having (i) US\$284 million of 7% Senior Unsecured Notes; (ii) US\$195 million of 10% Senior Secured Notes; (iii) \$120 million of drawn and secured debt under its Term Loan A from Centerbridge; and (iv) US\$105 million in drawn and secured debt under its Term Loan B. This high level of indebtedness could have important consequences for the Company's shareholders, including the following:
 - requiring the Company to dedicate a substantial portion of its cash flow from operations to payments on indebtedness and reducing the availability of cash flow to fund working capital, capital expenditures, development activity, acquisitions and other general corporate purposes;
 - increasing the Company's vulnerability to adverse general economic or industry conditions;
 - limiting flexibility in planning for, or reacting to, changes in the Company's businesses or industry; and
 - placing the Company at a competitive disadvantage compared to its competitors that have less indebtedness.



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Risk Factors (cont.)



Risks arising from the terms of the Company's debt facilities

- The terms of the agreements governing the Company's term loans A and B and the indentures governing its 7% and 10% Senior Notes contain restrictive terms that significantly limit the discretion of the Board and management with respect to certain business matters. Those agreements, among other things, restrict the Company's ability to:
 - incur additional indebtedness and guarantee indebtedness, which may limit the Company's ability to finance any additional working capital needs or capital expenditures for the Company's existing operations or finance the Company's expansion activities;
 - pay dividends on or make distributions with respect to capital stock or make certain other restricted payments;
 - sell or otherwise dispose of assets, including capital stock of restricted subsidiaries;
 - create or incur liens;
 - enter into sale/leaseback transactions;
 - merge, consolidate or sell assets;
 - make investments, spend capital in the Company's business and acquire assets;
 - make certain payments on indebtedness;
 - issue certain preferred equity interests or similar equity securities; and
 - change the nature of the Company's business.

- A breach of the Company's debt agreements and indentures could result in a default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. Under such circumstances, the Company's lenders could proceed against the collateral granted to them to secure that indebtedness. In the event lenders and noteholders accelerate the repayment of the Company's borrowings, the Company may not have sufficient assets to repay such indebtedness and the value of shareholders' equity likely would be severely affected.

- The Company's indebtedness pursuant to Term Loan B and its 10% Senior Secured Notes will mature in October 2018, including the obligation to pay deferred interest on Term Loan B which will have accrued to that point. The Company cannot provide assurance that its business will generate sufficient cash flow or that future borrowings will be available in an amount sufficient to repay this indebtedness or refinance it on substantially similar terms, or at all.

Risks related to changes in, or failures to comply with, the laws, regulations, policies or conditions of jurisdictions in which Boart Longyear conducts its business

- The mining industry is subject to regulation by governments around the world, including the regions in which the Company has operations, relating to matters such as controls and restrictions on production, and, potentially, nationalisation, expropriation or cancellation of contract rights, as well as restrictions on conducting business in such countries. Changes in, or the Company's failure to comply with, the laws, regulations, policies or conditions of any such jurisdiction could result in, among other consequences, the loss of Company assets, the elimination of certain rights that are critical to the Company's operation of its business in such jurisdiction or a decrease in revenue. In addition, some jurisdictions have recently considered or are considering legislation that would increase taxes or place further restrictions on production and development activities mining and other extractive industries. Such circumstances may cause a significant deterioration in mining spend in the jurisdictions in which the Company operates or in the Company's ability to continue to conduct its activities in those jurisdictions.



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Risk Factors (cont.)



Risks of adverse foreign exchange movements and exchange controls

- **Translation risk** – Boart Longyear is exposed to fluctuations in the value of the U.S. dollar versus other currencies. Because its consolidated financial results are reported in U.S. dollars, if it generates sales or earnings or has assets and liabilities in other currencies, the translation into U.S. dollars for financial reporting purposes can result in a significant increase or decrease in the amount of those sales or earnings and net assets. This is magnified by the fact that a substantial portion of the Company's operations are conducted outside of the United States and the Company typically earns revenues and pays expenses in the local currencies in the jurisdictions in which it operates. The Company does not generally hedge such foreign currency exchange rate exposures, and fluctuations in foreign currency exchange rates may also make period to period comparisons of the Company's results of operations difficult.
- **Transaction risk** – The Company's operations also are exposed to significant transaction risk. It often bids on contracts in U.S. dollars but is paid in local currency. If the U.S. dollar strengthens against the local currency during the term of the contract, the revenue earned from those contracts may be significantly less than expected. Additionally, during the period on which the Company earns its revenue in a local currency and prior to exchanging that currency into U.S. dollars, the Company is exposed to further exchange rate risk. In addition, the majority of the Company's variable costs to provide drilling services and to pay labor costs and purchase materials related to its products business in those locations are transacted in local currencies.
- **Exchange controls risk** – Some of the countries in which Boart Longyear operates have currency exchange controls, such as China, South Africa and Brazil. These exchange controls prevent the Company from being able to freely convert these currencies into currencies of other countries which may be less volatile. The increased hold time of these currencies further exposes the Company to exchange rate risk. Additionally, countries in which the Company operates that currently do not have exchange rate controls may implement exchange rate controls in the future and countries in which the Company operates that do have exchange rate controls may tighten these controls. Any of these factors could have material adverse effect on the Company.

Potential liabilities under the United States Foreign Corrupt Practices Act or other similar anti-corruption laws

- Many countries where the Company operates rank poorly in published indices of perceived public corruption. In these and other countries, Company operations may be subject to the U.S. Foreign Corrupt Practices Act (the "FCPA"), the United Kingdom's Bribery Act, the Australian Criminal Code Act and other anti-corruption laws, which generally prohibit companies or their agents and employees from providing anything of value to a foreign official for the purposes of influencing any act or decision of these individuals in their official capacity to help obtain or retain business, direct business to any person or corporate entity, or obtain any unfair advantage. The Company's activities in these countries create the risk of unauthorized payments or offers of payments by employees, agents or distributors that could be in violation of applicable anti-corruption laws, even though these parties are not always subject to the Company's control. The Company has internal controls, policies and procedures to protect against such risks and has implemented screening, training and compliance programs for its employees, agents and distributors with respect to these laws. However, there is no assurance that such controls, policies, procedures and programmes always will protect the Company from potentially improper or criminal acts. Violations of the FCPA or other anti-corruption laws or regulations may result in severe criminal or civil sanctions, and the Company may be subject to other liabilities, which could negatively affect its business, operating results and financial condition. In addition, the Company may cease conducting business in certain high risk countries where it determines the risk of inadvertently making these types of payments is too high. This could significantly affect revenue if mining customers continue to pursue new exploration projects in areas where the Company decides not to conduct business.



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Risk Factors (cont.)



Reliance on key personnel

- The operating and financial performance of Boart Longyear is dependent on its ability to retain key personnel (including directors and senior management). The Company's continued ability to compete effectively depends on its capacity to retain and motivate existing key employees as well as attract new employees. The loss of key personnel could cause material disruption to Boart Longyear's activities and operations in the short to medium term. There can be no assurance that there will not be a detrimental impact on operations and performance if a number of key people cease their employment.

Supplier relationships

- Boart Longyear relies on key supplier relationships to significantly reduce the backlog time for drill rigs and coring tools. Any change in key supplier relationships may adversely affect the earnings and financial performance of Boart Longyear.
- A significant delay in delivery or time lag between delivery and despatch to the field or a failure to deliver the additional rigs, may have a material adverse effect on Boart Longyear's financial position and operating performance. The delay or inability of suppliers to supply key manufacturing inputs such as steel may delay manufacturing of products and rigs that may adversely affect Boart Longyear's operational and financial performance.

Increases in wages or the prices of raw materials

- Boart Longyear purchases a significant amount of steel, industrial diamonds and carbon for use in its Products business and uses a substantial amount of fuel in its Drilling Services business. The Company does not engage in any type of hedging activities to mitigate the risks of increases in market prices for these inputs and, therefore, significant increases in the price of these materials would increase operating costs. In addition, a shortage of qualified people to perform drilling services may result in significant wage inflation. If the Company is unable to pass along increases in the prices of key inputs or increases in the wages that it must pay, then operating margins could be materially adversely affected.

Operational risks and liability

- The Company has consolidated its manufacturing operations globally and has increased its reliance on individual remaining manufacturing locations for the supply of equipment and performance tooling to external and internal customers, including its Drilling Services business. Two manufacturing locations have unionised work forces. To the extent that manufacturing locations have disputes with their employees, particularly those covered by collective bargaining agreements or represented by unions or their equivalents, or are affected by casualty events or other events or circumstances, the Company may face shortages of key materials and components and subcomponents it uses in its Products and Drilling Services businesses. These shortages may make it difficult to conduct business and may have an adverse effect on operations.
- Boart Longyear's operations are subject to many hazards inherent in the drilling services industries, including blowouts, cratering, explosions, fires, loss of hole, damages or lost equipment and damage or loss from inclement weather or natural disasters. Any of these hazards could result in personal injury or death, damage to or destruction of equipment and facilities, suspension of operations, environmental damage and damage to the property of others. Additionally, warranty and indemnity provisions in the Company's drilling services contracts could leave the Company exposed to significant risk and liability associated with the services performed under such contracts. Boart Longyear seeks protection for certain of these risks through insurance and through maintaining certain contracting standards but it cannot ensure that such insurance, contractual limitations of liability or any indemnification it may receive from third parties will adequately protect the Company against liability from all of the consequences of the hazards described above. The occurrence of an event not fully insured or indemnified against, or the failure of a third party or an insurer to meet its indemnification or insurance obligations, could result in substantial losses. In addition, insurance may not be available to cover any or all of these risks, or, even if available, may not be adequate. Insurance premiums or other costs may rise significantly in the future, so as to make such insurance prohibitively expensive or uneconomic. In future insurance renewals, the Company may choose to increase self-insurance retentions (and thus assume a greater degree of risk) in order to reduce costs associated with increased insurance premiums.



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4. ASX ANNOUNCEMENTS (CONTINUED)

4.1 Rights Issue and Share Buy Back Offer Presentation (continued)

Risk Factors (cont.)



Risks relating to internal controls

- In the last several years, the Company has undergone significant restructuring, including significantly reducing its overhead, implementing a global sourcing policy, rationalising its manufacturing footprint, consolidating its regional operating structure and drilling services territories and rationalising its supply chain and maintenance organisations. In certain cases the Company has discovered its internal controls are inadequate, particularly in light of the highly distributed nature of its drilling services business, and there continue to be weaknesses in the design and implementation of effective controls in parts of the Company's global operations. Over the years, management has discovered several thefts that were not timely detected, or prevented, by existing internal controls. In certain of the countries where Boart Longyear operates, a significant number of transactions are conducted in cash, which makes prevention and detection of thefts much more difficult. If management is unsuccessful in establishing adequate levels of controls, it may impact the Company's operational and financial performance, as well as the Company's financial reporting and the accuracy of the Company's public disclosures, and existing controls may not be sufficient to safeguard Company assets.

Enterprise risk management programme

- The Company employs an enterprise risk management programme to assist it in identifying and mitigating risk, and the results of the ERM framework are reviewed periodically with the Board. While management and the Board believe the ERM programme provides a sound framework for anticipating risk, there is no assurance the programme will identify all material risks or that it will result in the effective mitigation of such risks

Regulatory

- The drilling industry is highly regulated by environmental, health and safety regulations which could have a material impact on the functioning, financial stability and future earnings potential of Boart Longyear.
- In particular, Boart Longyear's business is subject to environmental laws and regulations in many jurisdictions in which it operates that require specific operating licences and impose various requirements and standards, including regulations under both Commonwealth and state legislation in Australia. These laws and regulations provide for penalties and other liabilities for the violation of such laws, regulations and remedial actions. Boart Longyear incurs costs to comply with these environmental laws and regulations and violation of them, or changes to such laws and regulations, including changes to operating licence conditions, could result in penalties and other liabilities and could have a significant adverse impact on Boart Longyear's operations and financial position.
- With heightened government and public sensitivity to environmental stability, environmental regulators are increasing the regulatory requirements, oversight and scrutiny in which potential projects and licences are evaluated. This could lead to delays and increased costs associated with Boart Longyear's operations and projects. Additionally, environmental laws and regulations may become more stringent in the future, and Boart Longyear may incur greater costs in complying with the increased regulation, which could have an adverse effect on its operating results and financial performance. Further, legislation and regulations affect Boart Longyear's mineral exploration customers and influence their decision whether to conduct mineral exploration and development.
- Sanctions for non-compliance with environmental, and health and safety laws and regulations may include monetary fines, suspension of operations or other penalties. These laws sometimes apply retroactively. In addition, a party can be liable for environmental damage without regard to that party's negligence or fault. Therefore, Boart Longyear could have liability for the conduct of others or for acts that were in compliance with all applicable laws at the time it performed them.

Availability of ongoing capital as required

- Boart Longyear's continued ability to effectively implement its business plan over time may depend, in part, on its ability to raise additional funds for future growth opportunities and to repay debt maturities as they fall due. Absent the availability of credit on acceptable terms, Boart Longyear may be required to make further funding calls on existing equity holders or seek new shareholders via dilutive issues to existing equity holders.



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Risk Factors (cont.)



Customers' access to funding

- Conditions in the credit and equity markets impact the ability of mining companies, particularly smaller "junior" companies to fund their exploration operations. Unfavourable conditions in these markets can adversely impact mining companies' spending on drilling services, which can have a material adverse effect on Boart Longyear's financial performance and position. A deterioration of conditions in the credit and equity markets generally and the ability of Boart Longyear's clients to raise capital, may lead to deferral or cancellation of some projects and, consequently, decrease the demand for Boart Longyear's drilling products and services.

General economic conditions

- The operating and financial performance of Boart Longyear is influenced by a variety of general economic and business conditions, including inflation, interest rates and exchange rates, access to debt and capital markets, and government fiscal, monetary and regulatory policies. A prolonged deterioration in general economic conditions, including an increase in interest rates or a decrease in consumer and business demand, could be expected to have a material adverse effect on the financial performance, financial position, cash flows, distributions, growth prospects and share price of Boart Longyear.

Risk of asset impairment

- Under A-IFRS, Boart Longyear is required to review the carrying value of its non-financial assets, other than inventory and deferred tax assets, annually or whenever there is an indication of impairment. If there is any indication of impairment, then the assets recoverable amount is estimated. Changes in assumptions underlying the recoverable amount of certain assets of Boart Longyear as a result of deteriorating market conditions or increasing cost of capital could result in an impairment of such assets, which may have a material adverse effect on Boart Longyear's financial performance and position.

Risk of litigation

- Boart Longyear is subject to the usual business risk that disputes or litigation may arise from time to time in the course of its business activities. Litigation risks relating to Boart Longyear include, but are not limited to, contractual claims, employee claims and regulatory disputes. There is a risk that material or costly disputes could arise which may adversely affect the financial performance and position of Boart Longyear.

Risk related to bad debts (counterparty credit risk)

- Credit risk is the risk of financial loss to Boart Longyear if a customer or counterparty to a contract fails to meet its contractual obligations, and arises principally from Boart Longyear's receivables from customers.
- Boart Longyear's credit risk on trade and other receivables arises principally from the creditworthiness of individual customers. The financial failure of a major customer or a number of significant customers, resulting in the failure of one or more of those customers to settle amounts owing to Boart Longyear may have a material adverse effect on Boart Longyear's future financial performance and position.

Product risk

- The provision of products and services by Boart Longyear carries with it a risk of liability for losses arising from the provision of defective products or services, environmental damage, personal injury or property damage and indirect or consequential losses suffered by third parties. Boart Longyear's insurance and contractual arrangements may not adequately protect it against such liabilities and any loss falling outside the scope of insurance may adversely affect Boart Longyear's financial performance and/or financial position.



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Risk Factors (cont.)



Risks related to an investment in New Shares

Equity market risks

- There are general risks associated with an investment in the share market. Such risks may affect the value of the Shares. The value of New Shares may rise above or fall below their issue price, depending on the financial position and operating performance of Boart Longyear. There is no guarantee that the New Shares will trade at or above the issue price. Investors should note that the past performance of the Shares on ASX provide no guidance as to its future securities price performance. Further, broader market factors affecting the price of New Shares are unpredictable and may be unrelated or disproportionate to the financial or operating performance of Boart Longyear. Such factors may include the economic conditions in Australia and overseas, investor sentiment in the local and international stock markets, consumer sentiment, changes in fiscal, monetary, regulatory and other governmental policies, global political and economic stability, interest and inflation rates and foreign exchange rates.
- The Rights Issue will raise \$103.1 million which is the Australian dollar equivalent of US\$84 million determined at an exchange rate of 0.8151 on 17 December 2014. As the Rights Issue is being conducted in Australian dollars, there is a risk that if there is a decline in the Australian dollar against the US dollar between 17 December 2014 and 27 January 2015, then the total amount raised in respect of the exercise of rights by eligible shareholders will be less than US\$84 million. This risk is mitigated, to some extent, as if there is a decline in the Australian dollar against the US dollar, so that the amount subscribed by Centerbridge pursuant to its underwriting obligations is less than US\$0.1345 Centerbridge has agreed to pay an additional amount to Boart Longyear to ensure that it receives US\$0.1345 for every New Share comprised in the shortfall. The amount which Centerbridge has agreed to pay is approximately US\$0.1345, which is the US\$ equivalent of A\$0.1650 multiplied by the agreed FX rate of 1 AUD = 0.8151 USD. This amount is different from US\$0.1350 because when determining the Offer Price on 17 December 2014, the Australian dollar equivalent of US\$0.1350 was rounded to the nearest \$0.005. When converting that rounded amount (i.e. A\$0.165) back to US dollars the result is US\$0.1345.

Future payment of dividends

- On 26 August 2014, Boart Longyear announced that it will not pay out an interim dividend with respect to the half year ended 30 June 2014. Any future dividend levels will be determined by the board of Boart Longyear having regard to its operating results and financial position. There is no guarantee that any dividend will be paid by Boart Longyear or, if paid, that they will be paid at previous levels.



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Underwriting Agreement



- The Rights issue is fully underwritten by Centerbridge
- Centerbridge currently has voting power in approximately 37% of the Issued Shares
- If in fulfilling its underwriting obligation, Centerbridge would become the owner of more than 49.9% of the voting power of Boart Longyear's voting stock, Centerbridge will acquire Convertible Preference Shares instead of shares. Further information regarding the terms of the Convertible Preference Shares is set out in Section 5.4 and Schedule 1 of the Notice of Meeting and Explanatory Statement
- Centerbridge may terminate the underwriting agreement in certain circumstances, including if:
 - o The conditions precedent to the issue of Shares or Convertible Preference Shares under the Buy Back Subscription Agreement and the Equitisation Subscription Agreement are not satisfied or waived;
 - o Boart Longyear withdraws the Rights Issue;
 - o Boart Longyear is prevented from allotting or issuing the Shares under the Rights Issue in accordance with the underwriting agreement; or
 - o Boart Longyear ceases to be admitted to the official list of ASX or ASX does not grant quotation of the Shares;
- Centerbridge may also terminate the underwriting agreement in certain circumstances if, in the reasonable opinion of Centerbridge, it will result in Centerbridge contravening or incurring a liability under any other applicable law, including if:
 - o ASIC applies for an order, investigates or commences proceedings in relation to the Rights Issue;
 - o The offer materials do not comply with the Corporations Act, the ASX listing rules or any other applicable law;
 - o A new circumstance arises which is materially adverse to investors in the Shares and which would have been required by the Corporations Act to have been included in the offer materials had the new circumstances arisen before the offer materials were given to ASX; or
 - o There is a breach of warranty or undertaking by Boart Longyear
- Further information regarding the underwriting agreement is set out in Section 5.3 of the Notice of Meeting and Explanatory Statement



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4. ASX ANNOUNCEMENTS (CONTINUED)

4.1 Rights Issue and Share Buy Back Offer Presentation (continued)

Impact on Optionholders and LTIP holders



Existing optionholders:

- Will be entitled to participate in the Rights Issue in respect of their options only to the extent those options have vested and been exercised and the relevant shares have been transferred or issued to them before the record date for the Rights Issue
- With unvested options will not be able to participate in the Rights Issue
- Will have the terms of the existing options varied as permitted by the ASX Listing Rules

Participants in the Company's Long Term Incentive Plan (LTIP)

- Will be entitled to participate in the Rights Issue in respect of their rights only to the extent that those rights have vested and the relevant shares have been transferred or issued to them before the record date for the Rights Issue
- With unvested rights will not be able to participate in the Rights Issue
- Will not have the terms of their rights under the LTIP varied (including the number of shares which may vest) to reflect the terms of the Rights Issue



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International Offer Restrictions



This Presentation does not constitute an offer of rights ("Rights") or New Shares in any jurisdiction in which it would be unlawful. In particular, this Presentation may not be distributed to any person, and the Rights and New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

Canada (British Columbia, Ontario and Quebec provinces)

This Presentation constitutes an offering of Rights and New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces") and to those persons to whom they may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This Presentation is not, and under no circumstances is to be construed as, an advertisement or a public offering of securities in the Provinces. This Presentation may only be distributed in the Provinces to persons that are "accredited investors" within the meaning of NI 45-106 – *Prospectus and Registration Exemptions*, of the Canadian Securities Administrators.

No securities commission or similar authority in the Provinces has reviewed or in any way passed upon this Presentation, the merits of the Rights or the New Shares or the offering of such securities and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of Rights or New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and accepted by the securities regulator in the applicable Province. Furthermore, any resale of the Rights or the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws which may require resales to be made in accordance with exemptions from dealer registration and prospectus requirements.

The Company, and the directors and officers of the Company, may be located outside Canada, and as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada, and as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this Presentation has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and Interpretations issued by the International Accounting Standards Board.

Unless stated otherwise, all dollar amounts contained in this Presentation are in Australian dollars.

Statutory rights of action for damages and rescission

Securities legislation in certain of the Provinces may provide purchasers with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, when an offering memorandum that is delivered to purchasers contains a misrepresentation. These rights and remedies must be exercised within prescribed time limits and are subject to the defences contained in applicable securities legislation. Prospective purchasers should refer to the applicable provisions of the securities legislation of their respective Province for the particulars of these rights or consult with a legal adviser.

The following is a summary of the statutory rights of rescission or to damages, or both, available to purchasers in Ontario. In Ontario, every purchaser of the Rights or the New Shares purchased pursuant to this Presentation (other than (a) a "Canadian financial institution" or a "Schedule III bank" (each as defined in NI 45-106), (b) the Business Development Bank of Canada or (c) a subsidiary of any person referred to in (a) or (b) above, if the person owns all the voting securities of the subsidiary, except the voting securities required by law to be owned by the directors of that subsidiary) shall have a statutory right of action for damages and/or rescission against the Company if this Presentation or any amendment thereto contains a misrepresentation. If a purchaser elects to exercise the right of action for rescission, the purchaser will have no right of action for damages against the Company. This right of action for rescission or damages is in addition to and without derogation from any other right the purchaser may have at law. In particular, Section 130.1 of the *Securities Act* (Ontario) provides that, if this Presentation contains a misrepresentation, a purchaser who purchases the Rights and the New Shares during the period of distribution shall be deemed to have relied on the misrepresentation if it was a misrepresentation at the time of purchase and has a right of action for damages or, alternatively, may elect to exercise a right of rescission against the Company, provided that (a) the Company will not be liable if it proves that the purchaser purchased such securities with knowledge of the misrepresentation; (b) in an action for damages, the Company is not liable for all or any portion of the damages that the Company proves does not represent the depreciation in value of such securities as a result of the misrepresentation relied upon; and (c) in no case shall the amount recoverable exceed the price at which such securities were offered.



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International Offer Restrictions (cont.)



Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than (a) in the case of any action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or (b) in the case of any action, other than an action for rescission, the earlier of (i) 180 days after the purchaser first had knowledge of the fact giving rise to the cause of action or (ii) three years after the date of the transaction that gave rise to the cause of action. These rights are in addition to and not in derogation from any other right the purchaser may have.

Certain Canadian income tax considerations. Prospective purchasers of the Rights and the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of such securities as any discussion of taxation related matters in this Presentation is not a comprehensive description and there are a number of substantive Canadian tax compliance requirements for investors in the Provinces.

Language of documents in Canada. Upon receipt of this Presentation, each Investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce Présentation, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.*

European Economic Area – Denmark, Germany and Netherlands

The Information in this Presentation has been prepared on the basis that all offers of Rights and New Shares will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of Rights and New Shares has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorised or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual consolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

Hong Kong

WARNING: This Presentation has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorise or register this Presentation or to permit the distribution of this Presentation or any Presentations issued in connection with it. Accordingly, the Rights and the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO).

No advertisement, invitation or document relating to the Rights and the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Rights and the New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors (as defined in the SFO and any rules made under that ordinance). No person effected Rights or New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this Presentation have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this Presentation, you should obtain independent professional advice.



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International Offer Restrictions (cont.)



Norway

This Presentation has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this Presentation shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The Rights and the New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

Singapore

This Presentation and any other materials relating to the Rights and the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Presentation and any other Presentation or materials in connection with the offer or sale, or invitation for subscription or purchase, of Rights and New Shares, may not be issued, circulated or distributed, nor may the Rights and New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to, and in accordance with exemptions in Subdivision (4) Division 1, Part VII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.

This Presentation has been given to you on the basis that you are (i) an existing holder of the Company's shares, (ii) an "Institutional Investor" (as defined in the SFA) or (iii) a "relevant person" (as defined in section 275(2) of the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this Presentation immediately. You may not forward or circulate this Presentation to any other person in Singapore.

Any offer is not made to you with a view to the Rights or the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire Rights or New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Switzerland

The Rights and the New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This Presentation has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this Presentation nor any other offering or marketing material relating to the Rights and the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. These securities will only be offered to regulated financial intermediaries such as banks, securities dealers, insurance institutions and fund management companies as well as institutional investors with professional treasury operations.

Neither this Presentation nor any other offering or marketing material relating to the Rights and the New Shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this Presentation will not be filed with, and the offer of Rights and New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

This Presentation is personal to the recipient only and not for general circulation in Switzerland.



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4. ASX ANNOUNCEMENTS (CONTINUED)

4.1 Rights Issue and Share Buy Back Offer Presentation (continued)

International Offer Restrictions (cont.)



United Kingdom

Neither the information in this Presentation nor any other Presentation relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the Rights or the New Shares. This Presentation is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and these securities may not be offered or sold in the United Kingdom by means of this Presentation, any accompanying letter or any other Presentation, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This Presentation should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the Rights or the New Shares has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to the Company.

In the United Kingdom, this Presentation is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this Presentation relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this Presentation or any of its contents.

United States

This Presentation does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be unlawful. The New Shares offered and sold in the Rights issue have not been, and will not be, registered under the U.S. 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 unless they are registered under the U.S. Securities Act and any other applicable U.S. state securities laws or offered and sold pursuant to an exemption from, or in a transaction not subject to, registration.



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Restrictions on eligibility criteria



Rights may only be purchased by persons in Australia and New Zealand and persons in Canada (British Columbia, Ontario and Quebec provinces), European Economic Area (Denmark, Germany and Netherlands), Hong Kong, Norway, Singapore, Switzerland and the United Kingdom meeting certain eligibility criteria that are set out in the Appendix to the investor presentation (refer to the section entitled "International Offer Restrictions"), which Boart Longyear has filed with the ASX today. Rights may be exercised by Eligible Shareholders and investors who satisfy the above criteria who purchase rights.

It is the responsibility of purchasers of rights to inform themselves of the eligibility criteria for exercise.

Ineligible shareholders, including persons in the United States and persons acting for the account or benefit of persons in the United States, will not be able to take up or exercise any rights purchased on ASX or otherwise, and may receive no value for any such rights acquired.



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4. ASX ANNOUNCEMENTS (CONTINUED)

4.2 Announcement of the Rights Issue and Share Buy Back Offer

The Announcement of the Rights Issue and Share Buy Back Offer included in this Booklet is the Announcement of the Rights Issue and Share Buy Back Offer released to ASX on 18 December 2014, amended to reflect the amendments made to the Offer Price and the price at which the Company is offering to buy back Shares under the Share Buy Back Offer.



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NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

18 December 2014

Boart Longyear launches A\$103.1 million pro rata traditional renounceable rights issue and A\$24.5 million share buy back offer

Boart Longyear Limited (ASX:BLY) (Boart Longyear or the Company), today launched a pro rata traditional renounceable rights issue of 0.9798 fully paid ordinary shares in Boart Longyear (New Shares) for every fully paid ordinary share held (Rights Issue).

The Rights Issue is available to "Eligible Shareholders" being persons who:

- (i) are registered as a holder of shares cum rights as at 7.00pm (AEDT) on 24 December 2014 (Record Date); and
- (ii) as at the Record Date:
 - a. have a registered address in Australia or New Zealand; or
 - b. have a registered address in Canada, Germany or Switzerland and are employees of the Group; and
- (iii) are not in the United States and are not acting for the account or benefit of a person in the United States; and
- (iv) are eligible under all applicable securities laws to receive an offer under the Offer without any requirement for a prospectus or offer document to be lodged or registered

New Shares under the Rights Issue are being offered at a price of A\$0.1650 per New Share (Offer Price) to raise approximately A\$103.1 million (US\$84 million)¹.

Following obtaining shareholder approval at the Extraordinary General Meeting yesterday, Boart Longyear has also completed the US\$21 million follow-on placement to Centerbridge and received payment of US\$560,000 as the premium payable in respect of the US\$5.6 million placement made to Centerbridge on 23 October 2014.

The net proceeds of the capital raising will be used to reduce the Company's net debt and provide Boart Longyear with greater liquidity as the Company manages through a challenging operating environment.

Key details:

- Fully underwritten 0.9798 for 1 pro rata traditional renounceable rights issue to raise approximately A\$103.1 million (US\$84 million)¹
- New Shares will be offered at A\$0.1650 per New Share²
- The Rights Issue is fully underwritten by CCP II Dutch Acquisition – E2, B.V., the special purpose vehicle established by Centerbridge Partners, L.P.³ for the purposes of its participation in the recapitalisation announced by the Company on 23 October 2014 (Recapitalisation)
- Rights will be tradable on the ASX from 22 December 2014 through to 12 January 2015, while the Rights Issue opens on 30 December 2014 and closes at 5:00pm AEDT on 19 January 2015

¹ Australian dollar equivalent of US\$84 million on 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD. USD raising amount assumes no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015.

² Australian dollar equivalent of US\$0.1350 rounded to the nearest A\$0.005 on 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD. US\$0.1350 is the price at which Centerbridge subscribed for New Shares under the Initial Placement before payment of the premium of US\$560,000.

³ Note, Centerbridge Partners has provided an equity commitment letter in respect of the underwriting commitment of the special purpose vehicle.



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- An off-market share buy back of ordinary shares at A\$0.1650 per share², capped at A\$24.5 million (US\$20 million)⁴

Eligible shareholders will be able to purchase 0.9798 New Shares for every Boart Longyear fully paid ordinary share held as at 7.00pm (AEDT time) on the Record Date. New Shares will rank pari passu with existing fully paid ordinary shares in Boart Longyear.

New Shares under the Rights Issue are being offered at the Offer Price of A\$0.1650 per New Share. The Offer Price is the Australian dollar equivalent of US\$0.1350 as at 17 December 2014 using the exchange rate of A\$1.00 = US\$0.8151, rounded to the nearest A\$0.005. This is the price agreed with Centerbridge pre-announcement of the recapitalisation on 23 October 2014 (which was the US dollar equivalent of the 30 day volume weighted average price (VWAP) of ordinary shares in the Company at the closing of the market on 17 October 2014) as the price at which Centerbridge subscribed for New Shares under the Initial Placement on 23 October 2014 before payment of the premium of US\$560,000.

The Offer Price represents a:

- 1.6% premium to the theoretical ex-rights price of A\$0.1625;
- 3.1% premium to Boart Longyear's closing price on 17 December 2014;
- 4.2% discount to Boart Longyear's 5 day VWAP to 17 December 2014; and
- 10.1% discount to Boart Longyear's 1 month VWAP to 17 December 2014.

As a renounceable rights issue, if eligible shareholders do not wish to take up some or all of their rights to New Shares, these rights may be traded on the ASX in the rights trading period (between 22 December 2014 and 12 January 2015) or otherwise transferred.

Rights may only be purchased by persons in Australia and New Zealand and persons in Canada (British Columbia, Ontario and Quebec provinces), European Economic Area (Denmark, Germany and Netherlands), Hong Kong, Norway, Singapore, Switzerland and the United Kingdom meeting certain eligibility criteria that are set out in the Appendix to the investor presentation (refer to the section entitled "International Offer Restrictions"), which Boart Longyear has filed with the ASX today. Rights may be exercised by Eligible Shareholders and investors who satisfy the above criteria who purchase rights.

It is the responsibility of purchasers of rights to inform themselves of the eligibility criteria for exercise.

Ineligible shareholders, including persons in the United States and persons acting for the account or benefit of persons in the United States, will not be able to take up or exercise any rights purchased on ASX or otherwise, and may receive no value for any such rights acquired.

In addition to the Rights Issue, the Company will undertake an off-market share buy back of ordinary shares capped at A\$24.5 million (US\$20 million⁴) (**Share Buy Back Offer**). The Share Buy Back Offer gives eligible shareholders an opportunity to exit some or all of their investment in the Company if they wish to do so. Under the Share Buy Back Offer, the Company will offer to buy back Existing Shares at A\$0.1650 per Existing Share². If the Company receives acceptances from eligible shareholders in excess of A\$24.5 million, the Share Buy Back Offer will be scaled back on a pro rata basis.

The Rights Issue and Share Buy Back Offer were approved by shareholders at the Extraordinary General Meeting on 17 December 2014 and, along with the equitisation of Centerbridge's Senior

⁴ Australian dollar equivalent of US\$20 million on 17 December 2014 at an FX rate of 1 AUD = 0.8151 USD.

4. ASX ANNOUNCEMENTS (CONTINUED)

4.2 Announcement of the Rights Issue and Share Buy Back Offer (continued)



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Unsecured Notes, are the final components of the Recapitalisation announced by Boart Longyear on 23 October 2014.

Key dates for the Rights Issue and Share Buy Back Offer are:

Date	Event – Rights Issue Timetable
18 December 2014	Launch Rights Issue
22 December 2014	Rights commence trading
24 December 2014	Record date for Rights Issue
30 December 2014	Open date for Rights Issue
12 January 2015	Rights trading ends
5:00 pm AEDT on 19 January 2015	Closing date for Rights Issue
27 January 2015	Settle Rights Issue

Date	Event – Share Buy Back Offer Timetable
24 December 2014	Record date for Share Buy Back Offer
30 December 2014	Open date for Share Buy Back Offer
5.30pm AEDT on 19 January 2015	Closing date for Share Buy Back Offer
27 January 2015	Shares cancelled pursuant to Share Buy Back Offer Shares or Convertible Preference Shares issued under the Buy Back Subscription Agreement

The above timetable is indicative only and subject to change. Boart Longyear reserves the right to amend any or all of these events, dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Boart Longyear reserves the right to extend the closing date of the Rights Issue and Share Buy Back Offer, to accept late applications for the Rights Issue and the Share Buy Back Offer, either generally or in particular cases, or to withdraw the offers without prior notice. The commencement of quotation of New Shares is subject to confirmation from ASX. All references to time are a reference to Australian Eastern Daylight Time (AEDT).

Disclaimer

Nothing contained in this announcement constitutes investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information and any action on the basis of the information.

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States, or in any other jurisdiction in which such an offer would be unlawful. The New Shares to be offered and sold in the Rights Issue have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may not be offered or sold in the United States, unless the New Shares are registered under the U.S. Securities Act and any other applicable U.S. state securities laws or offered and sold pursuant to an exemption from, or in a transaction not subject to, registration requirements of the U.S. Securities Act and any other applicable U.S. state securities laws.



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In addition, any person who is in the United States or who is a U.S. Person is not entitled to participate, directly or indirectly, in the Share Buy Back Offer. Boart Longyear will not accept share tenders: (a) from any person who does not represent that they are not (and they are not acting on behalf of or for the account of a person who is) in the United States or a U.S. Person; or (b) that have been postmarked in the United States or that otherwise appear to Boart Longyear or its agents to have been sent from the United States.

This announcement contains certain "forward-looking statements". Forward-looking statements can generally be identified by the use of the words "expect", "will", "may", "opportunity" and other similar expressions and include, but are not limited to, statements in this announcement regarding the conduct and outcome of the Rights Issue and Share Buy Back Offer and the use of proceeds of the Rights Issue. You are cautioned not to place undue reliance on forward looking statements. While due care and attention has been used in the preparation of forward-looking statements, forward-looking statements, opinions and estimates provided in this announcement are based on assumptions and contingencies which are subject to change without notice. Forward-looking statements including projections and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of the Company. Actual results, performance or achievements may vary materially from any forward-looking statements and the assumptions on which statements are based. The Company disclaims any intent or obligation to update publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

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>.

Investor Relations

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5. IMPORTANT INFORMATION

5.1 Responsibility for Booklet

This Booklet and the enclosed personalised Entitlement and Acceptance Form have been prepared by Boart Longyear Limited ABN 49 123 052 728 (**Boart Longyear** or the **Company**). This Booklet is dated 30 December 2014 (other than the Rights Issue and Share Buy Back Offer Announcement and the Rights Issue and Share Buy Back Offer Presentation which were published on the ASX website on 18 December 2014).

No party other than Boart Longyear has authorised or caused the issue of this Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Booklet. No person is authorised to give any information, or to make any representation, in connection with the Rights Issue that is not contained in this Booklet.

Any information or representation that is not in this Booklet may not be relied on as having been authorised by Boart Longyear, or its related bodies corporate in connection with the Rights Issue.

5.2 Status of Booklet

This Booklet is important and requires your immediate attention.

You should read this Booklet carefully and in its entirety before deciding whether to invest in New Shares. In addition, you should consider Boart Longyear's other periodic continuous disclosure announcements which are available at www.asx.com.au. In particular, you should consider the risk factors outlined in the Risk Factors section of the Rights Issue and Share Buy Back Offer Presentation (a copy of which is included in this Booklet) that could affect the operating and financial performance of Boart Longyear or the value of an investment in Boart Longyear.

This Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. This Booklet does not purport to contain all the information that you may require to evaluate a possible application for New Shares and you should make your own assessment of what information is relevant to your decision to participate in the Rights Issue.

This Booklet is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Boart Longyear is not licensed to provide financial product advice in respect of the New Shares.

Before deciding whether to apply for New Shares, you should consider whether they are a suitable investment for you in light of your own investment objectives and financial circumstances and having regard to the merits or risks involved. If, after reading this Booklet, you have any questions about the Rights Issue, you should contact your stockbroker, accountant or other independent professional adviser.

This Booklet contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as "anticipate", "believe", "expect", "project", "forecast", "estimate", "likely", "intend", "should", "will", "could", "may", "target", "plan" and other

similar expressions within the meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings, distributions or financial position or performance are also forward looking statements. The forward looking statements contained in this Booklet involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Boart Longyear, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Forward looking statements may also be based on estimates and assumptions which are subject to change. Actual results, performance or achievements may vary materially for many projections because events and actual circumstances frequently do not occur as forecast and these differences may be material. These statements may assume the success of Boart Longyear's business strategies. The success of any of these strategies is subject to uncertainties and contingencies beyond Boart Longyear's control, and no assurance can be given that any of the strategies will be effective or that the anticipated benefits from the strategies will be realised in the period for which the forward looking statements may have been prepared or otherwise. Readers are cautioned not to place undue reliance on forward looking statements and Boart Longyear assumes no obligation to update or revise such information to reflect any change in expectations or assumptions. The inclusion of the forward looking statements in this Booklet should not be regarded as a representation, warranty or guarantee with respect to its accuracy or the accuracy of the underlying assumptions or that Boart Longyear will achieve, or is likely to achieve, any particular results.

None of Boart Longyear or any other person, warrants or guarantees the future performance of Boart Longyear or any return on any investment made pursuant to this Booklet. Investors should note that past share price performance of Boart Longyear provides no guidance as to future share price performance.

5.3 Availability of Booklet

Eligible Shareholders in Australia and New Zealand can obtain a copy of this Booklet during the period of the Rights Issue on the Boart Longyear website at www.boartlongyear.com/company/investors or by calling the Boart Longyear Investor Information Line on the numbers listed in the Corporate Directory in this Booklet. Persons who access the electronic version of this Booklet should ensure that they download and read the entire Booklet. The electronic version of this Booklet on the Boart Longyear website will not include an Entitlement and Acceptance Form.

A replacement Entitlement and Acceptance Form can be requested by calling the Boart Longyear Investor Information Line on 1800 781 633 (within Australia) or +61 1800 781 633 (from outside Australia) between 8.30am and 5.30pm (AEDT) Monday to Friday during the Rights Issue period (business days only).

5.4 Underwriting

The Rights Issue is fully underwritten by the Underwriter. A summary of the underwriting agreement is contained in section 5.3 of the Notice of Meeting and in the Rights Issue and Share Buy Back Offer Presentation which is included in this Booklet.

5.5 Offer Management

The Rights Issue is being managed by the Offer Manager who will also act as nominee for the sale of Rights which would have been issued to Ineligible Shareholders had they been entitled to participate.

The Offer Manager is not providing any settlement support in respect of the Rights Issue. The Offer Management Agreement is subject to customary termination events.

5.6 Optionholders and LTIP participants

A summary of the impact of the Rights Issue on existing option holders and participants in the Boart Longyear Long Term Incentive Plan is contained on slide 25 of the Rights Issue and Share Buy Back Offer Presentation which is included in this Booklet.

5.7 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your application once it has been accepted.

5.8 Rounding of Rights

Where fractions arise in the calculation of Rights, they will be rounded up to the nearest whole number of New Shares.

5.9 Governing law

This Booklet, the Rights Issue and the contract formed on acceptance of the Rights Issue pursuant to a personalised Entitlement and Acceptance Form are governed by the laws applicable in New South Wales, Australia.

Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.10 Currency

All dollar values in this Booklet are in Australian dollars (A\$) or United States dollars (US\$) as noted. Where applicable, all A\$ amounts in this document have been converted from US\$ at an exchange rate of A\$1.00 = US\$0.8151, being the exchange rate on 17 December 2014.

5.11 Foreign jurisdictions

This Booklet has been prepared to comply with the requirements of the securities laws of Australia and New Zealand.

This Booklet and the accompanying Entitlement and Acceptance Form does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. The Rights and the New Shares offered in the Rights Issue 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, unless the New Shares are registered under the Securities Act and any other applicable U.S. state securities laws or offered and sold pursuant to an exemption from, or in a transaction not subject to, registration.

The New Shares being offered under the Entitlement Offer are also being offered to Eligible Shareholders with registered addresses in New Zealand in reliance on the Securities Act (Overseas Companies) Exemption Notice 2013 (New Zealand). This Booklet is not an investment statement or prospectus under New Zealand law, and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

The Rights Issue does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer.

The distribution of this Booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law. If you come into possession of this Booklet, you should observe such restrictions and should seek your own advice on such restrictions.

Any non-compliance with these restrictions may contravene applicable securities law.

See the "International Offer Restrictions" contained on slides 26 to 29 in the Rights Issue and Share Buy Back Offer Investor Presentation and included in this Booklet for more information.

6. GLOSSARY

TERM	MEANING
AEDT	Australian Eastern Daylight Time
Announcement of Rights Issue and Share Buy Back Offer	The announcement in relation to the launch of the Rights Issue and Share Buy Back Offer released to ASX on 18 December 2014, as amended to reflect the Company's announcement released to ASX on 19 December 2014 in respect of an amendment to the Offer Price from A\$0.1656 to A\$0.1650
Application Monies	Monies received from Eligible Shareholders in respect of their applications or persons who have acquired Rights on ASX and exercise them
ASIC	Australian Securities and Investment Commission
ASX	ASX Limited (ACN 008 624 691) or the Australian Securities Exchange as the context required
Boart Longyear	Boart Longyear Limited (ABN 49 123 052 728)
Booklet	This Rights Issue booklet and enclosed personalised Entitlement and Acceptance Form
Centerbridge	Centerbridge Partners L.P
Closing Date	The date the Rights Issue closes, being 19 January 2015
Convertible Preference Shares	The convertible preference shares which may be issued by the Company on the terms as set out in Section 5.4 and Schedule 1 of the Notice of Meeting
Corporations Act	<i>Corporations Act 2001</i> (Cth) and <i>Corporations Regulations 2001</i> (Cth)
Eligible Shareholder	A Shareholder at the Record Date who meets the criteria as set out in Section 1.2
Entitlement	The number of New Shares for which an Eligible Shareholder is entitled to subscribe under the Rights Issue, being 0.9798 New Shares for every Share held at 7.00pm (AEDT) on the Record Date
Entitlement and Acceptance Form	The Entitlement and Acceptance Form accompanying this Booklet to be used to make an application for New Shares in accordance with the instructions set out on that form
Existing Secured Notes	Boart Longyear Management Pty Limited's outstanding 10.00% Senior Secured Notes due 2018
Existing Shares	Each Share on issue at 7.00pm (AEDT) on the Record Date
Existing Unsecured Notes	Boart Longyear Management Pty Limited's outstanding 7.00% Senior Secured Notes due 2021
Group	Boart Longyear and its related bodies corporate
Ineligible Shareholder	Shareholders which are not Eligible Shareholders as set out in Section 1.2
New Shares	Shares issued under the Rights Issue
Nominee	Goldman Sachs Australia Pty Ltd
Notice of Meeting	The Company's notice of extraordinary general meeting and explanatory statement dated 18 November 2014
Offer Manager	Goldman Sachs Australia Pty Ltd
Offer Management Agreement	The Offer Management Agreement between the Company and the Offer Manager dated 18 December 2014 where the Offer Manager has agreed to manage the Rights Issue and act as Nominee
Offer Price	A\$0.1650 (the Australian dollar equivalent of US\$0.1350 on 17 December 2014)
Recapitalisation	The recapitalisation transactions announced by the Company on 23 October 2014
Record Date	24 December 2014
Registry	Link Market Services Limited
Renunciation and Transfer Form	The form to be completed by Eligible Shareholders who wish to transfer all or some of their Rights to another person other than on the ASX.
Rights	Rights to all or part of an Entitlement
Rights Issue	A fully underwritten renounceable pro rata rights issue of 0.9798 New Shares for every 1 Share held at the Record Date at an Offer Price of A\$0.1650 per New Share to raise approximately A\$103.4 million
Rights Issue and Share Buy Back Offer Presentation	The investor presentation in relation to the Rights Issue and Share Buy Back Offer released to ASX on 18 December 2014, as amended to reflect the Company's announcement released to ASX on 19 December 2014 in respect of an amendment to the Offer Price from A\$0.1656 to A\$0.1650
Share	A fully paid ordinary share of Boart Longyear
Share Buy Back Offer	The off-market offer by the Company to buy back Shares at A\$0.1650 per Share capped at A\$24.5 million.
Shareholder	The holder of a Share
Underwriter	CCP II Dutch Acquisition – E2, B.V., the special purpose vehicle established by Centerbridge for the purposes of participating in the Recapitalisation
Underwriting Agreement	The Underwriting Agreement between the Company and the Underwriters dated 18 December 2014 where the Underwriter has agreed to fully underwrite the Rights Issue
VWAP	Volume weighted average price

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CORPORATE DIRECTORY

Company Secretaries

Paul Blewett
Fabrizio Rasetti

Registered Office

26 Burbridge Business Park
Adelaide Airport SA 5950
Australia

Share registry

Link Market Services Limited
Level 12, 680 George Street
Sydney NSW 2000
Australia

Australia: 1800 781 633
International: +61 1800 781 633
Fax: +61 2 9287 0303

Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

Website

Corporate information and the Boart Longyear's Annual Report and Half Yearly Accounts can be found via Boart Longyear's website at www.boartlongyear.com.

Boart Longyear Investor information line

Australia 1800 781 633
International +61 1800 781 633
Open 8.30am to 5.30pm (AEDT)
Monday to Friday during the offer period.



**BOART
LONGYEAR™**

ABN 49 123 052 728

**NOT FOR DISTRIBUTION OR RELEASE IN THE
UNITED STATES**

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

SRN/HIN/Application Number:
Entitlement Number:
Subregister:
Number of Eligible Shares held as
at the Record Date, 7:00pm (AEDT)
on 24 December 2014:
Entitlement to New Shares
(on a 0.9798 for 1 basis):
Amount payable on full acceptance
at \$0.1650 per New Share:

Offer Closes 5:00pm (AEDT): 19 January 2015

ENTITLEMENT AND ACCEPTANCE FORM

This Entitlement and Acceptance Form relates to the pro-rata traditional renounceable rights issue launched by Boart Longyear Limited (**Boart Longyear**) on 18 December 2014 (**Rights Issue**). Terms defined in the booklet in relation to the Rights Issue (**Rights Issue Booklet**) have the same meaning when used in this Entitlement and Acceptance Form, unless the context requires otherwise.

As an Eligible Shareholder you are entitled to acquire 0.9798 New Shares for every Existing Share that you hold on the Record Date, at an Offer Price of \$0.1650 per New Share. This is an important document and requires your immediate attention. If you do not understand it or you are in doubt as how to deal with it, you should contact your accountant, stockbroker, solicitor or other professional adviser.

This Entitlement and Acceptance Form does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. This Entitlement and Acceptance Form may be not distributed or released in the United States. The New Shares have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the New Shares may only be offered and sold to persons that are not in the United States and are not acting for the account or benefit of a person in the United States, in each case, in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

Receipt of the slip below by no later than 5:00pm (AEDT) on 19 January 2015 with your payment or receipt of your payment via BPAY® will constitute acceptance in accordance with the terms and conditions in the Rights Issue Booklet and the terms overleaf. Rights trading commenced on 22 December 2014 and is expected to close on 12 January 2015.

IMPORTANT: The Rights Issue Booklet contains information about investing in the New Shares. Before applying for New Shares, you should carefully read the Rights Issue Booklet. This Entitlement and Acceptance Form should be read in conjunction with the Rights Issue Booklet.

If you do not have a paper copy of the Rights Issue Booklet, you can obtain a paper copy at no charge, by calling the Boart Longyear Offer Information Line on 1800 781 633 (free call within Australia) or +61 1800 781 633 (from outside Australia).

PAYMENT OPTIONS – If you wish to take up all or part of your entitlement, you have two payment options detailed below.

OPTION 1: PAYING BY BPAY®

If paying by BPAY®, refer to the instructions overleaf. **You do NOT need to return the acceptance slip below if you elect to make payment by BPAY®.** Payment must be received via BPAY® before 5:00pm (AEDT) on 19 January 2015. 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 in time. Neither the Registry nor Boart Longyear accepts any responsibility for loss incurred through incorrectly completed BPAY® payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY® are received by this time. By

paying by BPAY® you will be deemed to have completed an Application Form for the number of New Shares subject of your application payment.

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 below with your Application Monies. No signature is required on the acceptance slip. The acceptance slip with your Application Monies must be received by the Registry before 5:00pm (AEDT) on 19 January 2015. A reply paid envelope is enclosed for Shareholders in Australia. Return the Slip below with cheque, bank draft or money order attached.



Billers Code: 434977

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

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Neither the Registry nor Boart Longyear accepts any responsibility if you lodge the slip below at any other address or by any other means.

See overleaf for details and further instructions on how to complete and lodge this Entitlement and Acceptance Form. If you do not take up or sell your rights, you may not receive any value for them. It is important that you decide whether to accept or sell your rights in accordance with the Rights Issue Booklet.

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 Number of New Shares accepted (being not more than your Entitlement shown above)

B Payment amount
(Multiply the number in section A by \$0.1650)

A\$

C PLEASE INSERT CHEQUE, BANK DRAFT OR MONEY ORDER DETAILS – Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Boart Longyear Limited Rights Offer" 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"/>

D CONTACT DETAILS – Telephone number

Telephone number – after hours

Contact name

BOART LONGYEAR LIMITED

The Rights Issue to which this Entitlement and Acceptance Form relates is not being made to any person in the United States or any person acting for the account or benefit of a person in the United States. The Rights Issue Booklet and Entitlement and Acceptance Form do not constitute an offer or invitation to acquire Shares in any place in which, or to any person to whom, it would be unlawful to make such an offer or invitation.

ACCEPTANCE OF ENTITLEMENT OFFER

By either returning the Entitlement and Acceptance Form with payment to the Registry, or making payment received by BPAY®:

- you represent and warrant that you have read and understood the Rights Issue Booklet and that you acknowledge the matters, and make the warranties and representations set out in the Rights Issue Booklet;
- you represent and warrant that you are not located in the United States and are not acting for the account or benefit of a person in the United States;
- you and each person on whose account you are acting acknowledge that the New Shares have not, and will not be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or otherwise transferred to, persons in the United States or persons who are acting for the account or benefit of a person in the United States (to the extent they are holding shares in Boart Longyear for the account or benefit of a person in the United States) except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any other applicable securities laws; you further acknowledge that the New Shares may only be offered, sold or resold outside the United States in "offshore transactions" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;
- you are purchasing New Shares outside the United States in an "offshore transaction" (as defined in Rule 902(h) under the Securities Act) in compliance with Regulation S under the Securities Act;
- you have not and will not send the Rights Issue Booklet, the Entitlement and Acceptance Form or any other material relating to the Rights Issue to any person in the United States or any person acting for the account or benefit of a person in the United States;
- if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX or otherwise where neither you or any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States or is acting for the account or benefit of a person in the United States;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form 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 all applicable securities laws to receive an offer under the Rights Issue without any requirement for a prospectus or offer document to be lodged or registered; and
- you provide authorisation to be registered as the holder of New Shares acquired by you and agree to be bound by the Constitution of Boart Longyear.

HOW TO APPLY FOR NEW SHARES

1. IF PAYING BY BPAY® (AVAILABLE TO SHAREHOLDERS WITH AN AUSTRALIAN BANK ACCOUNT ONLY)

If you elect to make payment using BPAY® you must contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account. For more information on paying by BPAY®, www.bpay.com.au

Work out the total amount payable by you. To calculate the total amount, multiply the number of New Shares you wish to apply for by \$0.1650.

Refer overleaf for the Biller Code and Reference Number. The Reference Number is used to identify your holding. If you have multiple holdings you will have multiple Reference Numbers. You must use the Reference Number shown on each personalised Entitlement and Acceptance Form when paying for any New Shares that you wish to apply for in respect of that holding.

2. IF PAYING BY CHEQUE, BANK DRAFT OR MONEY ORDER

Complete all relevant sections of the Entitlement and Acceptance Form USING BLOCK LETTERS. These instructions are cross referenced to each section of the Entitlement and Acceptance Form.

A. Acceptance of New Shares

Enter into section A the number of New Shares you wish to apply for. The number of New Shares must be equal to or less than your Entitlement, which is set out overleaf.

B. Payment Amount

Enter into section B the total amount payable by you. To calculate the total amount multiply the number in Section A by \$0.1650.

C. Cheque, bank draft or money order details

Enter your cheque, bank draft or money order details in section C. Cheques, bank drafts or money orders must be drawn on an Australian branch of a financial institution in Australian currency, made payable to "Boart Longyear Limited Rights Offer" 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 or money order for the incorrect amount, Boart Longyear may treat you as applying for as many New Shares as your cheque, bank draft or money order will pay for.

D. Contact details

Enter your contact telephone number where we may contact you regarding your acceptance of New Shares, if necessary.

3. SALE OF YOUR ENTITLEMENT IN FULL OR IN PART BY YOUR STOCKBROKER AND ACCEPTANCE OF THE BALANCE

If you wish to sell all of your Rights through your stockbroker you should contact your stockbroker and provide details as requested which appear overleaf.

You should complete the "Instructions to your Stockbroker" panel below and forward this Entitlement and Acceptance Form to your stockbroker.

Instructions to your Stockbroker

I/We have accepted	<input type="text"/>
	New Shares as per reverse side
And attach a cheque/bank draft for	<input type="text"/>
	A\$
	being acceptance monies at \$0.1650 per New Share
I/We wish to sell	<input type="text"/>
	Rights to Ordinary Shares

If you wish to sell part of your Rights through your stockbroker and accept the balance, you should contact your stockbroker and provide details as requested which appear overleaf and forward the slip below to the Registry with your Application Monies or make payment using BPAY®.

4. DISPOSAL OF YOUR ENTITLEMENT OTHER THAN THROUGH A STOCKBROKER

A renunciation form must be used for all other transactions. These forms may be obtained from the Registry or your stockbroker.

5. OVERSEAS SHAREHOLDERS

The Rights Issue Booklet and Entitlement and Acceptance Form do not constitute an offer of securities to any person to whom it would not be lawful to issue the Rights Issue Booklet. By applying for New Shares under this Entitlement and Acceptance Form you represent and warrant that applying for New Shares does not breach any law in any relevant overseas jurisdiction.

6. HOW TO LODGE YOUR ENTITLEMENT AND ACCEPTANCE FORM

A reply paid envelope is enclosed for your use. No postage stamp is required if it is posted in Australia. Alternatively, if you have lost the reply paid envelope, or you have obtained the Rights Issue Booklet electronically, your completed Entitlement and Acceptance Form with the payment for New Shares may be mailed to the postal address, or delivered by hand to the delivery address, set out below. **If paying by BPAY® you do not need to complete or return the Entitlement and Acceptance 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

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 (AEDT) on 19 January 2015. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. Boart Longyear reserves the right not to process any Acceptance Slips and cheques received after the Closing Date.

If you require further information on how to complete this Entitlement and Acceptance Form, please contact the Boart Longyear Offer Information Line on 1800 781 633 (free call within Australia) or +61 1800 781 633 (from outside Australia) between 8:30am and 5:30pm (AEDT) Monday to Friday.