



NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

30 December 2014

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

BOART LONGYEAR LIMITED – SHARE BUY BACK BOOKLET

Please find attached the following documents relating to Boart Longyear Limited's (**Boart Longyear**) Share Buy Back Offer, which were mailed to Eligible Participants today:

1. Share Buy Back Booklet
2. Sample Acceptance Form

Yours sincerely

A handwritten signature in black ink, appearing to read "Fabrizio Rasetti", with a small dot at the end.

Fabrizio Rasetti
General Counsel & Secretary

BOART LONGYEAR LIMITED

ABN 49 123 052 728

SHARE BUY BACK BOOKLET

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

This is an important document which should be read in its entirety. If you are in any doubt as to the action you should take please call your financial, taxation or other professional adviser immediately.

The Share Buy Back Offer is not being made in the United States or to: (i) any person who is located or resident in the United States; (ii) any US Person; (iii) any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) any person who has a registered address in Canada.

The distribution of this Booklet in some jurisdictions outside Australia and New Zealand might be restricted by law and does not constitute an invitation to participate in any place where, or to any person to whom, it would be unlawful to do so. Persons who come into possession of this Booklet should seek advice on and observe any restrictions on distributing it.

Any person receiving any of the Buy Back Documents must not distribute or send them into the United States, or make them available to any US Person (including to any legal or beneficial owner of Shares that is a US Person) or any person who is located or resident in the United States.

CHAIR'S LETTER

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30 December 2014

Dear Shareholder,

On behalf of the Directors of Boart Longyear, I am pleased to invite you to participate in an offer by Boart Longyear to purchase Shares at a price of A\$0.1650 per Share (**Buy Back Price**) (**Share Buy Back Offer**). The Share Buy Back Offer is capped at A\$24.5 million (US\$20 million)¹.

On 23 October 2014 Boart Longyear announced to 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 (including the Share Buy Back Offer) 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; and
- was paid an additional US\$0.6 million premium in respect of the Initial Placement (**Premium**).

The Share Buy Back Offer is one of the remaining components of the Recapitalisation to be completed. Other components of the Recapitalisation to be completed are the pro-rata traditional renounceable rights issue of new Shares to raise approximately A\$103.1 million (US\$84 million)² (**Rights Issue**). The Rights Issue is being conducted concurrently with the Share Buy Back Offer and Shareholders eligible to participate in the Rights Issue will be sent a separate booklet relating to the Rights Issue. 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 Share Buy Back Offer

The Share Buy Back Offer offers Eligible Participants the opportunity to exit their investment in the Company by selling some or all of their Shares, should they wish to do so. This provides Shareholders with an alternative to continuing to hold some or all of their Shares or participating in the Rights Issue.

Under the Share Buy Back Offer, the Company is offering to acquire Shares held by Eligible Participants at 7.00pm (AEDT) on the Record Date at the Buy Back Price. The Share Buy Back Offer is capped at A\$24.5 million (US\$20 million)¹ but 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 Buy Back Price is Boart Longyear's closing price on 19 December 2014 (being the last practical date prior to printing of this Booklet) and represents a:

- 3.2% discount to Boart Longyear's 5 day VWAP to 19 December 2014; and
- 8.9% discount to Boart Longyear's 1 month VWAP to 19 December 2014.

To accept the Share Buy Back Offer and sell some or all of your Shares, you need to ensure that your completed Acceptance Form is received by Boart Longyear by 5.30pm (AEDT) on the Closing Date.

If you do not wish to participate in the Share Buy Back Offer you do not need to do anything and your decision not to participate in the Share Buy Back Offer does not preclude you from trading your shares on ASX at any time or at any prevailing market price.

If you are also eligible to participate in the Rights Issue, you will also receive a Rights Issue Booklet.

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

2. 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.

CHAIR'S LETTER (CONTINUED)

Further information

Further information on the Share Buy Back Offer is detailed in this Booklet. You should read the entirety of this Booklet carefully, before deciding whether to participate in the Share Buy Back Offer.

If you have any further questions about the Share Buy Back Offer, you should seek advice from your stockbroker or other professional adviser or you can call the Boart Longyear Shareholder 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 thank you for your continued support of Boart Longyear.

Yours sincerely,

A handwritten signature in black ink, reading "Barbara Jeremiah". The signature is fluid and cursive, with the first name "Barbara" and the last name "Jeremiah" clearly distinguishable.

Barbara Jeremiah
Chair

KEY DATES

EVENT	DATE ¹
Last day that Shares can be acquired which will be eligible to participate in the Share Buy Back Offer	19 December 2014
Ex-Date – the date Shares commence trading on an ex Buy-back basis	22 December 2014
Record Date to determine Eligible Participants entitled to participate in the Share Buy Back Offer	24 December 2014
Share Buy Back Offer opens	30 December 2014
Despatch of the Buy Back Documents to Eligible Participants	30 December 2014
Share Buy Back Offer closes	5.30pm (AEDT) on 19 January 2015
Buy Back Date – Cancellation of Shares bought back under the Share Buy Back Offer	27 January 2015
Share Buy Back Offer proceeds despatched to successful Eligible Participants by cheque to registered address or direct credit to their nominated account, together with updated holding statements	28 January 2015

While the Company does not presently anticipate changing any of the dates and times in relation to the Share Buy Back Offer, it reserves the right to vary them where lawful to do so. Any change in date or time will take effect from the time it is authorised by the Board and will be publicly announced on the ASX as soon as practicable following the Board's authorisation. Any such change will be taken to amend this Booklet (and the Acceptance Form and/or Withdrawal/Amendment Form) accordingly.

All references in this Booklet to AEDT are to Australian Eastern Daylight Time (AEDT).

Enquiries

If you have any questions, please call the Boart Longyear Shareholder Information Line on 1800 781 633 (within Australia) or +61 1800 781 633 (from outside Australia) at any time from 8.30am to 5.30pm (AEDT) Monday to Friday during the offer period, or consult your stockbroker, accountant or other independent professional adviser.

Website: www.boartlongyear.com

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1. OVERVIEW OF THE SHARE BUY BACK OFFER

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1.1 What is the Share Buy Back Offer?

The Share Buy Back Offer is an offer by the Company to buy back some of its Shares from Eligible Participants. It is an off market buy back which means it is made directly by the Company to Eligible Participants rather than through the ASX. Any Shares bought back by the Company under the Share Buy Back Offer will be cancelled and replaced by new Shares or Convertible Preference Shares to be issued to Centerbridge.

1.2 Why is Boart Longyear making the Share Buy Back Offer?

The Share Buy Back Offer is one of the components of the Recapitalisation (involving both a debt refinancing and a new equity injection) which was announced by the Company on 23 October 2014.

On 23 October 2014, the Company:

- raised approximately US\$5.6 million pursuant to a placement to Centerbridge (**Initial Placement**); and
- drew down \$US120 million under Term Loan A provided by Centerbridge and repaid its then outstanding revolving bank credit facility.

Since then the Company has conducted a successful tender offer and repurchased US\$105 million aggregate principal amount of its Existing Secured Notes. The repurchase, which was a debt neutral transaction (excluding fees and a premium paid to holders of the Existing Secured Notes), was funded primarily by drawing down US\$105 million under Term Loan B provided by Centerbridge.

The remaining components of the Recapitalisation including the Share Buy Back Offer 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.

On 18 December 2014 the Company:

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

The Share Buy Back Offer is one of the remaining components of the Recapitalisation yet to be completed. Other components of the Recapitalisation to be completed are the pro-rata traditional renounceable rights issue of new ordinary Shares to raise approximately A\$103.1 million (US\$84 million)³ (**Rights Issue**). The Rights Issue is being conducted concurrently with the Share Buy Back Offer and Shareholders eligible to participate in the Rights Issue will be sent a separate booklet relating to the Rights Issue. 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 (**Equitisation**).

The Share Buy Back Offer is intended to give eligible Shareholders an opportunity to exit some or all of their investment in Boart Longyear by selling their Shares, should they wish to do so rather than continuing to hold Shares in the Company following the Recapitalisation or further investing in the Company pursuant to the Rights Issue. Shareholders who decide not to participate in the Share Buy Back Offer are not precluded from trading their shares on ASX at any time or at any market price.

1.3 Who may participate in the Share Buy Back Offer?

Only Eligible Participants are eligible to participate in the Share Buy Back Offer.

Eligible Participants are Shareholders as at 7.00pm (AEDT) on the Record Date who are not Ineligible Foreign Shareholders.

Boart Longyear will not accept Acceptance Forms:

- from any person who does not represent that such person is not (and it is not acting on behalf of or for the account of a person who is) an Ineligible Foreign Shareholder; or
- that have been postmarked in the United States or that otherwise appear to Boart Longyear to have been sent from the United States.

1.4 Who are Ineligible Foreign Shareholders?

An Ineligible Foreign Shareholder is any Shareholder:

- to whom Boart Longyear would be prohibited from paying money pursuant to the:
 - Banking (Foreign Exchange) Regulations 1959 (Cth);
 - regulations made under the Charter of the United Nations Act 1945 (Cth) imposing financial sanctions including the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth); or
 - any other law, act, rule or regulation prohibiting Boart Longyear from making payments to foreign persons;
- who resides in a jurisdiction where it would be illegal under the laws of Australia or that jurisdiction to make any invitation to the holder to participate in the Share Buy Back Offer;
- whose participation in the Share Buy Back Offer is not permitted under the laws of Australia or the jurisdiction in which they are resident; or
- who resides in a jurisdiction outside Australia and New Zealand and it would be unreasonable to make an invitation to the holder having regard to each of the following:
 - the number of holders in that jurisdiction;
 - the number and value of the Shares held by holders in that jurisdiction; and
 - the cost of complying with legal requirements and the requirements of any relevant regulatory authority applying to making the invitation in that jurisdiction.

3. The 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.

1. OVERVIEW OF THE SHARE BUY BACK OFFER (CONTINUED)

For the avoidance of doubt, an Ineligible Foreign Shareholder includes: (i) any person who is located or resident in the United States; (ii) any US Person; (iii) any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) any person who has a registered address in Canada. Copies of this Booklet are not being mailed or otherwise distributed or sent into the United States or Canada.

Any person receiving this Booklet or any of the other documents relating to the Share Buy Back Offer must not distribute or send them into the United States, or make available to any US Person (including any legal or beneficial owner of Shares that is a US Person) or any person who is located or resident in the United States.

1.5 Do you have to participate in the Share Buy Back Offer?

You do not need to participate in the Share Buy Back Offer. Eligible Participants do not have to accept the Share Buy Back Offer and sell any Shares if they do not wish to do so. If you do not wish to participate in the Share Buy Back Offer you do not need to do anything.

1.6 How do I participate in the Share Buy Back Offer?

If you are an Eligible Participant and you wish to accept the Share Buy Back Offer please refer to section 2.

The maximum number of Shares you may nominate for sale is set out on your personalised Acceptance Form. You may not have all the Shares for which you accept the Share Buy Back Offer bought back if a scale back is required (see section 1.7).

1.7 How many Shares will Boart Longyear buy back?

The Share Buy Back Offer is subject to a cap of A\$24.5 million (\$US 20 million)⁴ which may be reduced if it would result in Centerbridge becoming a Majority Stockholder (**Buyback Limit**).

If the Company receives acceptances from Eligible Participants for a number of Shares which would result in the Buyback Limit being exceeded, then acceptances of the Share Buy Back Offer will be scaled back on a pro-rata basis, such that all acceptances are reduced in the same proportions.

1.8 At what price will Shares be bought back?

Shares will be bought back at A\$0.1650 per share. This is the Australian dollar equivalent of US\$0.1350 on 17 December 2014 (rounded to the nearest \$0.005). US\$0.1350 is the price at which Centerbridge subscribed for Shares pursuant to the Initial Placement before payment of the Premium.

1.9 How does participating in the Share Buy Back Offer compare to selling shares on ASX?

At the close of trading on 19 December 2014, being the last practical date prior to printing of this Booklet, Shares closed at A\$0.1650 per Share. For the current market price of Shares, refer to www.asx.com.au.

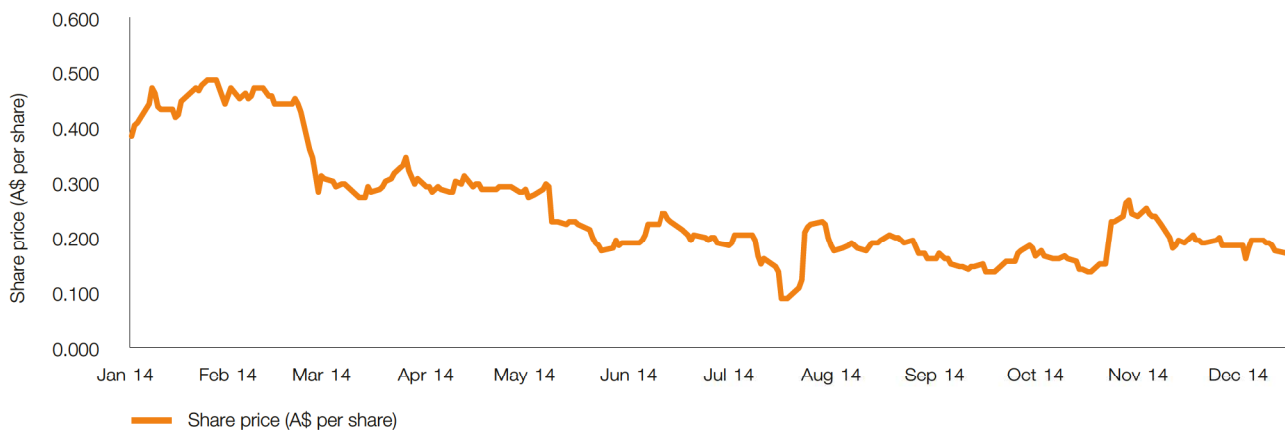
You may be able to sell your Shares for a higher price than the Buy Back Price on the stock market although you would likely have to pay brokerage and stamp duty. You do not have to pay these charges if you accept the Share Buy Back Offer. However, even if you sell your Shares on ASX and pay these charges the proceeds you realise may be greater than if you accept the Share Buy Back Offer.

The market price for Boart Longyear Shares on ASX may be, or may move, higher than the Buy Back Price during the Share Buy Back Offer. It may vary significantly in the future. By making the Share Buy Back Offer and in setting the Buy Back Price Boart Longyear is not making any recommendation or giving any advice on the value of its Shares or where (or how) you should sell your Shares.

Before you decide what to do with your Shares, we recommend you seek your own professional advice (including taxation advice).

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

1.10 How have Boart Longyear shares performed over recent times?



1.11 How long will the Share Buy Back Offer be open?

The Share Buy Back Offer will open on 30 December 2014 and close at 5.30pm (AEDT) on 19 January 2015. Boart Longyear may extend the Share Buy Back Offer. If the Share Buy Back Offer is extended, the new closing date will be announced to ASX.

1.12 What are the tax consequences of accepting the Share Buy Back Offer?

Some tax consequences of accepting the Share Buy Back Offer are set out in section 3. You should also seek your own taxation advice prior to deciding whether to participate in the Share Buy Back Offer.

2. HOW DO YOU ACCEPT THE SHARE BUY BACK OFFER?

2.1 If you wish to accept the Share Buy Back Offer

(a) Issuer Sponsored Holdings

If your holding is an issuer sponsored holding, the Acceptance Form enclosed will be an Issuer Sponsored Holding Acceptance Form. If you are an Eligible Participant and you wish to accept the Share Buy Back Offer in respect of all or some of your Shares, please complete and return your Acceptance Form to the Registry at one of the following addresses by following the instructions set out on that Acceptance Form.

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

You can use the enclosed reply-paid envelope if you are posting from within Australia. Please note that if you are returning your Acceptance Form by post, it will not be effective unless it is received at either of the above addresses by 5.30pm (AEDT) on 19 January 2014.

You can also submit your application online by visiting www.boartlongyear.com and then following the prompts. Online applications must be submitted by 5.30pm (AEDT) on 19 January 2015.

(b) CHESS Holding

If your holding is a CHESS Holding, the Acceptance Form enclosed will be a CHESS Holding Acceptance Form. If you wish to accept the Share Buy Back Offer in respect of all or some of your Shares, you need only contact your controlling participant (normally the broker who arranged the purchase of your Shares). You must contact them in time for them to process your acceptance before 5.30pm (AEDT) on 19 January 2014. Acceptances which are not fully processed before this time will not be effective. It is up to your controlling participant whether they require the Acceptance Form to be signed.

You will need to tell them how many Shares you want to nominate for sale, and which holding (if you have more than one holding).

Do NOT send your Acceptance Form to the Registry.

If you return your completed Acceptance Form to the Registry instead of your controlling participant, the Registry will endeavour to contact your controlling participant on your behalf and relay your instructions. Neither Boart Longyear nor the Registry will be responsible should your controlling participant not acknowledge and accept your instructions.

You can also submit your application online by visiting www.boartlongyear.com and then following the prompts. Online applications must be submitted by 5.30pm (AEDT) on 19 January 2015.

2.2 Joint shareholders

If you are an Eligible Participant and hold your Shares jointly with another person (for example, your spouse) you must complete and return the Acceptance Form in accordance with the instructions for joint holdings on the Acceptance Form.

Please note that you will receive a personalised Acceptance Form for each separate registered holding of Shares (for example, if you hold some Shares in your name and some Shares jointly with another person, you will receive two Acceptance Forms). You may accept the Share Buy Back Offer from any or all of your separate registered holdings provided that you complete the Acceptance Form and follow the instructions on each Acceptance Form for each holding you wish to accept.

Any scale back that applies to Shares accepted into the Share Buy Back Offer from more than one of your registered holdings of Shares will be applied to each of those registered holdings as if they were held by different persons. You may not have all the Shares for which you accept the Share Buy Back Offer bought back if a scale back is required (see section 1.7)

2.3 Shares held by trustees and nominees

Trustees and nominees who hold Shares should inform the beneficial owners of the Shares about the Share Buy Back Offer, subject to any legal restrictions in the countries where such beneficial owners are resident and provided such persons are not Ineligible Foreign Shareholders, and then aggregate all acceptance received from beneficial owners. It is the responsibility of the trustee or nominee to complete one aggregate Acceptance Form on behalf of all beneficial owners.

Trustees or nominees who hold Shares on behalf, or for the account, of each of the following persons or entities must not inform any such person or entity of the Share Buy Back Offer: (i) a person located or resident in the United States; (ii) a US Person; (iii) an agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) a resident of Canada. It is the responsibility of the trustee or nominee to ensure that, when completing an aggregated Acceptance Form, it does not include any acceptance on behalf of such persons.

Further, any scale back that applies to Shares accepted into the Share Buy Back Offer by trustees or nominees will be performed on a registered shareholder basis.

2.4 Company's right to adjust or reject acceptances

The Company may, in its absolute discretion and at any time, deem any acceptance it receives to be a valid acceptance, disregard or not accept any acceptance and may waive any or all of the requirements for making, amending or withdrawing an acceptance. It may do each of these things in relation to some, all or any number of acceptances it receives.

2.5 Can I sell my Shares after accepting the Share Buy Back Offer?

Shares accepted into the Share Buy Back Offer must not be sold or otherwise transferred to any other person unless they have first been withdrawn from the Share Buy Back Offer pursuant to a withdrawal or amendment made in accordance with the procedures described in section 2.6.

The number of Shares in respect of which an Eligible Participant accepts the Share Buy Back Offer will be removed from their holding and placed in a “subposition” in the register of members of the Company. The Eligible Participant will not be able to transact in those Shares until they have been released from the subposition. For the Shares to be released from that subposition, the Eligible Participant must withdraw or amend their acceptance in accordance with the procedures described in section 2.6.

If an Eligible Participant sells Shares after submitting an acceptance such that at 7.00pm (AEDT) on the Buy Back Date they do not hold at least the number of Shares they accepted into the Share Buy Back Offer, the Company may, in its absolute discretion and without prejudice to its other rights and remedies, reject their acceptance in its entirety or treat the acceptance as if they had accepted the Share Buy Back Offer in respect of the number of Shares held by them at 7.00pm (AEDT) on the Buy Back Date.

2.6 Amending or withdrawing your acceptance of the Share Buy Back Offer

Set out below are the procedures for withdrawing or amending your acceptance of the Share Buy Back Offer. The effect of withdrawing or amending one or more of your acceptances will be to withdraw those acceptances, and, in the case of an amendment, to replace the relevant acceptances with new acceptances.

Withdrawals or amendments made in accordance with these procedures may not take immediate effect. You should take this into account if you wish to sell any Shares which you have accepted into the Share Buy Back Offer.

To withdraw or amend an acceptance that has been received by the Registry, you will need to complete and submit a Withdrawal/Amendment Form, using the procedures set out on the back of the Withdrawal/Amendment Form. You will need to submit your form to the address noted on the form, so that it is received by no later than 5.30pm (AEDT) on the Closing Date. Any forms received after this time (including up to the Buy Back Date) will not be effective for withdrawing or amending your acceptance.

A copy of the Withdrawal/Amendment Form is available by telephoning the Registry on 1800 781 633 (within Australia) or +61 1800 781 633 (outside Australia).

If you have a CHESS Holding, you may also instruct your controlling participant to withdraw or amend your acceptance in sufficient time for them to process your withdrawal or amendment by 5.30pm (AEDT) on the Closing Date.

If you have a CHESS Holding and you have instructed your controlling participant to process your withdrawal or amendment you should NOT send a Withdrawal/Amendment Form to the Registry.

After your controlling participant has withdrawn or amended your acceptance, you will be sent written confirmation from CHESS of the withdrawal/amendment made in relation to your holding by your controlling participant. Irrespective of its wording, this confirmation is not an acceptance by the Company of the withdrawal or amendment of your acceptance.

2.7 Effect of participating in the Share Buy Back Offer

By completing and returning your Acceptance Form, you:

- (a) agree to sell to the Company the number of Shares nominated in the Acceptance Form or such lesser number of Shares as may result from the application of any scale back or adjustment to the number of Shares accepted into the Share Buy Back Offer on the terms set out in the Buy Back Documents;
- (b) agree:
 - (i) that the Company publicly announcing on ASX any scale back is effective notice or communication of the Company's rejection of such number of Shares that exceed the Buyback Limit; and
 - (ii) to the number of your Shares nominated in the Acceptance Form being reduced by the amount required to ensure that the Company buys no more than the Buyback Limit;
- (c) waive any requirement to receive further notice or communication from the Company of the agreement to buy-back your Shares;
- (d) agree that a contract to buy-back your Shares is formed on the Buy Back Date by the Company accepting your Acceptance Form and that the purchase of the relevant Shares is taken to occur at that time;
- (e) warrant to the Company that:
 - (i) you are the registered holder of the Shares and that all your Shares (including any rights and entitlements attaching to those Shares) that are transferred to the Company under the Share Buy Back Offer will, at the date of the transfer of them to the Company, be fully paid and free from all mortgages, charges, liens, encumbrances and interests of third parties of any kind, whether legal or otherwise, and restrictions on transfer of any kind;
 - (ii) you have full power and capacity to sell and to transfer the Shares together with all rights attaching to such Shares; and

2. HOW DO YOU ACCEPT THE SHARE BUY BACK OFFER? (CONTINUED)

- (iii) you are a person to whom the Share Buy Back Offer may lawfully be made, can receive the proceeds of the sale of your Shares and whose participation in the Share Buy Back Offer is permitted under the laws of the jurisdiction in which you are resident and that you are not an Ineligible Foreign Shareholder; and
- (iv) you are not (nor are you acting on behalf of or for the account of) a US Person, a resident of Canada, a person located or resident in the United States or a person who is otherwise an Ineligible Foreign Shareholder;
- (f) authorise the Company (and its officers, agents, contractors and advisers) to correct any error in or omission from your Acceptance Form and/or Withdrawal/ Amendment Form and to insert any missing details;
- (g) undertake not to sell or offer to sell Shares to any other person if, as a result, you will at any time after you submit your Acceptance Form until the Buy Back Date hold fewer Shares than the number of Shares you have accepted into the Share Buy Back Offer;
- (h) authorise the Company to procure the number of Shares accepted into the Share Buy Back Offer to be transferred to a subposition on the register of members of the Company which will prevent them from being traded or transferred following receipt of your Acceptance Form otherwise than in accordance with the Share Buy Back Offer;
- (i) acknowledge that neither the Company nor any other party involved in the Share Buy Back Offer has provided you with financial product advice, or any securities recommendation, or has any obligation to provide this advice or recommendation, concerning your decision to participate in the Share Buy Back Offer or the manner of such participation;
- (j) authorise the Company to make payment to you in Australian currency:
 - (A) by direct credit to your nominated account if you have a direct credit authority recorded on the register of members of the Company at 7.00pm (AEDT) on the Closing Date; or
 - (B) if you do not have a direct credit authority, by cheque to your address shown on the register of members of the Company at 7.00pm (AEDT) on the Closing Date;
- (k) will be taken to have accepted the risk associated with the form of payment above and acknowledge that dispatch of payment as per above satisfies the Company's obligation to make payment to you for the Shares bought back; and
- (l) accept the responsibility for fully observing the laws and regulatory requirements of the relevant jurisdiction(s) that apply to you in connection with the Buy Back Documents and the Share Buy Back Offer, including the obtaining of any governmental, exchange control or other consents, the making of any filings that may be required, the compliance with other necessary formalities and the payment of any taxes or other requisite payments due in such jurisdiction, including that you agree that:
 - (A) damages are not an adequate remedy for breach of these covenants, undertakings, agreements, representations and warranties;
 - (B) if you breach any of these covenants, undertakings, agreements, representations or warranties you will indemnify the Company for all its costs or losses arising from the breach; and
 - (C) any obligation of the Company to buy-back Shares from you is conditional on your compliance with the covenants, undertakings, agreements, representations and warranties listed above.

2.8 How will I receive payment for Shares accepted into the Share Buy Back Offer?

Boart Longyear will send you a cheque for the proceeds of the sale of Shares accepted into the Share Buy Back Offer (**Buy Back Proceeds**), unless you have a valid direct credit authority in place before 7.00pm (AEDT) on the Closing Date.

If you have an existing direct credit authority, by submitting your Acceptance Form, you authorise Boart Longyear to pay your Buy Back Proceeds into your nominated account.

Cheques and direct credit advices will be mailed to your address as shown on the Boart Longyear Share Register at 7.00pm (AEDT) on the Closing Date at your own risk. It is your responsibility to inform the Registry of any changes to your contact details. Payments to the accounts and the dispatch of cheques to the addresses on the Boart Longyear Share Register will satisfy Boart Longyear's obligation to pay you for any Shares bought back.

3. TAX IMPLICATIONS

These sections 3.1 to 3.6 summarise the general Australian taxation implications of the Buy Back for Australian resident Eligible Shareholders who hold their Shares on capital account for Australian income tax purposes. This summary does not comment on the foreign tax implications of the Buy Back or the Australian 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 Buy Back 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 Buy Back. Neither Boart Longyear, nor any of its directors, officers, employees, taxation advisers or other advisers accepts any liability or responsibility in respect of any statement concerning the taxation consequences of the Buy Back.

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

3.1 Characterisation of the Buy-Back proceeds

The Buy Back will be an "off-market buy back" for Australian tax purposes.

The Company intends to debit the whole of the Buy Back Price to its share capital account. The Company has confirmed that its share capital account will not be "tainted" within the meaning of Division 197 of the *Income Tax Assessment Act 1997* as at the date of the Buy Back. Consequently, no part of the Buy Back Price should be treated as a dividend for Australian tax purposes unless the Australian Taxation Office (ATO) applies an anti-avoidance provision (section 45B of the *Income Tax Assessment Act 1936*) to deem part of the Buy Back proceeds to be an unfranked dividend.

The ATO has published guidelines which provide general guidance as to when it would or would not seek to apply this provision. The guidance indicates that if the accounting treatment adopted by the Company (that is, the amount debited to share capital account compared with the amount debited to retained earnings, which determines how much of the proceeds of the Buy Back is treated as capital and how much is treated as a dividend for tax purposes) reflects the overall balance of share capital and retained earnings (including unrealised profits) of the Company, the ATO will normally not challenge the allocation.

As noted above, the Company intends to debit the whole of the Buy Back payment to its share capital account. As the Company has no net retained profits (realised or unrealised), it is reasonable to expect that the ATO would not seek to apply section 45B to deem part of the Buy Back proceeds to be an unfranked dividend. However, the Company cannot be certain that this will be the case and Eligible Shareholders should obtain their own advice in this regard.

3.2 Calculating a capital gain or loss on the disposal of Shares through the Buy Back

Shareholders participating in the Buy Back should be taken, for CGT purposes, to have disposed of their Shares when the Company accepts the Shareholder's offer under the tender process.

The disposal of Shares will constitute a capital gains tax (CGT) event for Australian tax purposes. A Shareholder participating in the Buy Back should make a capital gain if the capital proceeds from the disposal of the Shares exceed the cost base of the Shares, and should make a capital loss if the capital proceeds from the disposal of the Shares are less than the "reduced cost base" of the Shares. The "reduced cost base" of the Shares should be equal to the cost base of the shares in most cases.

In general, the capital proceeds from the disposal of the Shares should be the amount paid for the Shares by the Company under the Buy Back. However, if the market value of the shares that are bought back (valued at the time of the Buy Back on the basis that the Buy Back did not occur and was never proposed to occur) would have been higher than the amount received by the Eligible Shareholder on the Buy Back, then the capital proceeds will be taken to be that higher amount.

Taxation Determination TD 2004/22 and Practice Statement PSLA 2007/9 provide a basis to determine the capital proceeds on disposal of shares for CGT purposes under an off-market buy-back by reference to the market value of the shares at the time of the buy-back. The application of this basis of valuation could result in higher capital proceeds for the disposal of shares under the Buy Back than the amount paid by the Company.

However, the Commissioner of Taxation has indicated in PSLA 2007/9 that "in cases of capital-only off-market buy-backs" (that is, where no part of the price paid in an off-market buy back is a dividend) that are "conducted at arm's length", the Australian Taxation Office (ATO) will not apply the methodology stated in TD 2004/22 to determine whether the proceeds on the disposal of shares under a buy-back are higher, for tax purposes, than the amount paid by the Company on buying back its shares.

Having regard to the terms of the Buy Back, it is reasonable to expect that the ATO will not seek to apply the methodology set out in TD 2004/22 to determine whether the capital proceeds from the Buy-Back are higher, for CGT purposes, than the amount paid by the Company. However, the Company cannot be certain that this will be the case and Eligible Shareholders should obtain their own advice in this regard.

3. TAX IMPLICATIONS (CONTINUED)

Generally, the cost base for a Share will be the amount the shareholder paid to acquire the Share together with certain non-deductible incidental costs of acquisition, for example stamp duty and brokerage, and certain non-deductible incidental costs of disposal.

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 Shares where the Eligible Shareholder has held the Shares for at least 12 months prior to the disposal.

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 Shares 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 trustee. Trustees and beneficiaries should obtain their own taxation advice on this issue.

A capital loss that arises from the Buy Back can only be used to offset capital gains. Capital losses not used in the year of disposal may be carried forward to be used in a later year.

3.3 Other Australian tax implications

No Australian Goods and Services Tax (GST) should be payable in respect of the Buy Back. No stamp duty should apply to the Buy Back.

4. EFFECT OF THE SHARE BUY BACK OFFER ON BOART LONGYEAR

4.1 How is the Share Buy Back Offer being funded and how will it affect Boart Longyear?

The Share Buy Back Offer will be funded through the issue of Shares or Convertible Preference Shares to the Underwriter pursuant to the terms of the Buy Back Subscription Agreement dated 18 December 2014 between the Company and the Underwriter (**Buy Back Subscription Agreement**).

Under the Buy Back Subscription Agreement, the Company has agreed to issue the Underwriter with a Share at the Buy Back Price for every Share bought back by the Company under the Share Buy Back Offer. To the extent that the issue of Shares under the Buy Back Subscription Agreement would result in the Underwriter becoming a Majority Stockholder, then the Company will issue the Underwriter with Convertible Preference Shares at the Buy Back Price instead of Shares. For more information, please refer to section 1.8 of the Notice of Meeting.

The Underwriter is a special purpose vehicle established by Centerbridge for the purposes of participating in the Recapitalisation.

CCP Investor 1 and CCP Investor 2, being funds established by Centerbridge, have entered into equity commitment letters in favour of the Company as a third party beneficiary pursuant to which they have agreed to contribute to the Underwriter the required equity contributions to enable it to fund its payment obligations in respect of the Recapitalisation (including the Buy Back Subscription Agreement).

CCP Investor 1 and CCP Investor 2 have also given a limited guarantee in favour of the Company in respect of the performance and payment by the Underwriter of its obligations in respect of the Recapitalisation (including the Buy Back Subscription Agreement).

For more information about CCP Investor 1 and CCP Investor 2, refer to section 3.3 of the Notice of Meeting.

4.2 Effect of Recapitalisation Transactions – Pro forma balance sheet and financial ratios

The tables below shows the change in the Company's balance sheet, gross leverage, net leverage and interest leverage as a result of the Recapitalisation.

Table 1: Sources and Uses and pro forma capitalisation

Sources	US\$m	Uses	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 and 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)	149
Total Sources	352	Total Uses	352

4. EFFECT OF THE SHARE BUY BACK OFFER ON BOART LONGYEAR (CONTINUED)

Table 2: Pro forma Capitalisation

Pro forma Capitalisation US\$m	Transaction announcement										Maturity	Interest rate
	30 June 2014	Debt	Equity	Tender Offer	Post Refinance	Conditional Placement	Rights Issue	Sr. Unsec. Notes Recapitalisation	Estimated Transaction Fees	Pro forma Post Recap.		
Bank Revolver	38	(38)	–	–	–	–	–	–	–	–	Jul 2016	L + 475bps
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.I ³ .
New Term Loan – Tranche B	–	–	–	105	105	–	–	–	–	105	Oct 2018	12.0% A.I ³ .
Total Debt	638	82	–	–	720	–	–	(16)	–	704		
Initial Equity Placement	–	–	6	–	6	1	–	–	–	6		
Follow on Equity Placement	–	–	–	–	–	21	–	–	–	21		
Rights Issue	–	–	–	–	–	–	84	–	–	84		
Sr. Unsecured Notes Equisitisation	–	–	–	–	–	–	–	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	573	(22)	(84)	(16)	35	487		

The Recapitalisation transaction fees of approximately US\$35 million will be allocated between debt in respect of debt issuance costs, total equity in respect of equity raising costs and the profit and loss for the balance of the costs. The allocation has not been shown as a pro forma adjustment in the tables above.

The impact of the Recapitalisation on certain financial ratios of the Company is set out below:

Pro forma Capitalisation US\$m	30 June 2014	Pro forma Post Recap.
Total Debt	638	704
LTM Adjusted EBITDA	46	46
Total Gross Leverage Ratio	13.9 x	15.3 x
Net Debt	570	487
LTM Adjusted EBITDA	46	46
Total Net Leverage Ratio	12.4 x	10.6 x
LTM Adjusted EBITDA	46	46
Total Interest Expense (payable in cash)	52	39
Cash Interest Coverage Ratio	0.9 x	1.2 x
LTM Adjusted EBITDA	46	46
Total Interest Expense (per Profit and Loss)	52	66
Interest Coverage Ratio	0.9 x	0.7 x

Note 1: The information presented in the tables above has been prepared and is based on the financial statements as at 30 June 2014, as announced to the ASX on 26 August 2014 but adjusted for:

- the draw-down of Term Loan A of US\$120 million and the subsequent repayment of the Company's revolving bank credit facility;
- the Initial Placement of US\$6.1 million (which includes the Initial Placement of US\$5.6 million and the Premium of US\$0.6 million);
- the draw-down of US\$105 million under Term Loan B and the subsequent retiring of US\$105 million of Existing Secured Notes;
- the Follow On Placement of US\$21 million;
- the Rights Issue of US\$84 million assuming constant foreign exchange rates from 17 December 2014 to the date of settlement of the issue of Shares under the Rights Issue; and
- the Equitisation.

Note 2: Tables 1 and 2 assume the Company does not exercise its right to replace a portion of Term Loan A with a new Asset Backed Loan of up to US\$50 million.

Note 3: Neither the historical financial information or the pro forma financial information presented in the tables above should be taken to represent the views of the Company or any other person as to future financial performance or forward looking statements.

Note 4: The above figures assume no change in the AUD/USD exchange rate between 17 December 2014 and 27 January 2015.

Note 5: The interest rate on the New Term Loans would be reduced to 11% per annum (from 12% per annum) so long as the Company's trailing 12 month adjusted EBITDA is greater than US\$200 million.

Note 6: Gross leverage as at 30 June 2014 excludes undrawn capacity under the revolver (total facility size of US\$140 million).

Note 7: Debt figures above exclude debt issuance costs. As at 30 June 2014, debt issuance costs of US\$13.6 million were netted against total debt for financial reporting purposes.

4.3 Effect of Recapitalisation Transactions – Company's capital structure

The tables below show the potential changes in Centerbridge's relevant interest in Shares and interest in Convertible Preference Shares as a result of the different steps of the Recapitalisation. Table 3 shows the maximum relevant interest in Shares and interest in Convertible Preference Shares that Centerbridge could acquire under the Recapitalisation. Table 4 shows the minimum relevant interest in Shares and interest in Convertible Preference Shares that Centerbridge could acquire under the Recapitalisation.

Table 3: Assuming US\$20 million of shares bought back under the Share Buy Back Offer and 0% take up of the Rights Issue by non-Centerbridge Shareholders

\$20m Buy back	Convertible Preference Shares (US\$m)	Ordinary Shares			Relevant Interest	
		CB	Non-CB	Total	CB	Non-CB
0% Take up						
Pre-Initial placement	0.0	58.7	402.5	461.2	12.7%	87.3%
Initial Placement	0.0	41.3	0.0	41.3		
Current	0.0	100.0	402.5	502.5	19.9%	80.1%
Follow-on Placement	0.0	135.0	0.0	135.0		
PF post Follow-on Placement	0.0	235.0	402.5	637.5	36.9%	63.1%
Rights Issue and Buy back	101.5	18.3	(148.1)	(129.8)		
PF post Rights Issue and Buy back	101.5	253.3	254.3	507.7	49.9%	50.1%
Equitisation	16.0	0.0	0.0	0.0		
PF post Equitisation	117.5	253.3	254.3	507.7	49.9%	50.1%

4. EFFECT OF THE SHARE BUY BACK OFFER ON BOART LONGYEAR (CONTINUED)

Table 4: Assuming \$0 million of shares bought back under the Share Buy Back Offer and 100% take up of the Rights Issue by non-Centerbridge Shareholders.

\$0m Buy back	Convertible Preference Shares (US\$m)	Ordinary Shares			Relevant Interest	
		CB	Non-CB	Total	CB	Non-CB
100% Take up						
Pre-Initial placement	0.0	58.7	402.5	461.2	12.7%	87.3%
Initial Placement	0.0	41.3	0.0	41.3		
Current	0.0	100.0	402.5	502.5	19.9%	80.1%
Follow-on Placement	0.0	135.0	0.0	135.0		
PF post Follow-on Placement	0.0	235.0	402.5	637.5	36.9%	63.1%
Rights Issue and Buy back	0.0	230.3	394.4	624.6		
PF post Rights Issue and Buy back	0.0	465.2	796.9	1,262.1	36.9%	63.1%
Equitisation	0.0	102.8	0.0	102.8		
PF post Equitisation	0.0	568.0	796.9	1,364.9	41.6%	58.4%

4.4 Minimum and maximum voting power of Centerbridge in the Company

Centerbridge's minimum voting power in the Company as a result of the Recapitalisation will be 41.6% (see Table 4 in section 4.3).

Centerbridge's maximum voting power in the Company as a result of the Recapitalisation will be 49.9%, although Centerbridge may acquire Convertible Preference Shares to the extent any issue of Shares to Centerbridge would result in it becoming a Majority Stockholder. The Convertible Preference Shares may be converted into Shares but conversion of the Convertible Preference Shares is not permitted if doing so will result in Centerbridge becoming a Majority Stockholder. This means that Centerbridge's voting power in the Company as a result of the Recapitalisation cannot exceed 49.9%. The maximum value of non-voting Convertible Preference Shares Centerbridge may be issued is US\$117.5 million. The Convertible Preference Shares do not confer any voting rights on the holder. Shareholders should note that although Centerbridge cannot acquire voting power in more than 49.9%, Centerbridge will have the right to appoint nominees to the Board (not to equal or exceed half the board) and will have the ability to exact significant control over the Company by virtue of its significant shareholding and position in the Company capital structure.

4.5 Effect of the Share Buy Back Offer on issued capital

As at 30 December 2014, the Company has 637,490,726 Shares on issue.

Assuming the maximum number of Shares are bought back and no reduction to the Buyback Limit, the Company will buy back 148,708,283 Shares, representing 23.3% of the Shares on issue at 30 December 2014. All the Shares that are bought back under the Share Buy Back Offer will be cancelled.

Note, under the Rights Issue, the Company will issue up to a maximum of 624,613,413 Shares, assuming 100% non-Centerbridge take up and no participation in the Share Buy Back Offer.

4.6 Interests of Directors

The following table sets out the number of Shares in which each Director currently has a relevant interest:

Director	Number of Shares in which each has a relevant interest	Number of options convertible into Shares
Bruce Brook	220,000	Nil
Peter Day	175,000	Nil
Roy Franklin	300,000	Nil
Tanya Fratto	120,000	Nil
Barbara Jeremiah	455,000	Nil
Jonathan Lewinsohn	0	Nil
David McLemore	1,155,861	Nil
Rex McLennan	100,000	Nil
Richard O'Brien	300,000	10,725,278
Conor Tochilin	0	Nil

Each Director who has a relevant interest in Shares does not intend to accept the Share Buy Back Offer.

5. ADDITIONAL INFORMATION

5.1 Status of this Booklet

This Booklet is dated 30 December 2014.

This Booklet is important and requires your immediate attention.

You should read this Booklet carefully and in its entirety before deciding whether to participate in the Share Buy Back Offer.

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.

5.2 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.

5.3 Governing law

The Share Buy Back Offer and the contract formed on acceptance of the Share Buy Back Offer are governed by the laws applicable in New South Wales, Australia.

Each Eligible Participant who accepts the Share Buy Back Offer submits to the non-exclusive jurisdiction of the courts of New South Wales, Australia.

5.4 ASIC relief

ASIC has granted Boart Longyear an exemption under subsection 257D(4) of the Corporations Act. This exemption permits Boart Longyear:

- to conduct the Share Buy Back Offer in substantially the same manner as an equal access buy back, in accordance with Division 2 of Part 2J.1 of the Corporations Act;
- to use the scale back mechanism described in section 1.7; and
- not to accept any acceptances of the Share Buy Back Offer received from an Ineligible Foreign Shareholder,

provided certain conditions are met.

5.5 Privacy

Boart Longyear is carrying out the Share Buy Back Offer in accordance with the Corporations Act. This involves the collection of personal information contained in the Acceptance Form and Withdrawal/Amendment Form to enable Boart Longyear to process your acceptance of the Share Buy Back Offer. If you do not provide this information, Boart Longyear may be hindered in, or prevented from, processing your acceptance.

The personal information collected by Boart Longyear will only be disclosed to the Registry in its capacity as share registrar of Boart Longyear, to a print and mail service provider, to Boart Longyear’s advisers in relation to the Share Buy Back Offer and to financial institutions in respect of payments to you in connection with the Share Buy Back Offer or as required or authorised by law.

If you wish to access the personal information collected by Boart Longyear in relation to you shareholding, please write to Boart Longyear, care of the Registry at the mailing address set out in the Acceptance Form.

6. GLOSSARY

TERM	MEANING
Acceptance Form	The Acceptance Form enclosed with this Share Buy Back Booklet which, depending on the Eligible Participant's holding, will either be an Issuer Sponsored Holding Acceptance Form or a CHESS Holding Acceptance Form.
AEDT	Australian Eastern Daylight Time
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 Share Buy Back Booklet
Buy Back Date	27 January 2015
Buy Back Documents	This Booklet, the Acceptance Form and the Withdrawal/Amendment Form
Buyback Limit	A\$24.5 million which will be reduced if it would result in Centerbridge becoming a Majority Stockholder
Buy Back Price	A\$0.1656 per Share
Buy Back Subscription Agreement	The buy back subscription agreement between the Company and the Underwriter dated 18 December 2014 as amended
CCP Investor 1	Centerbridge Capital Partners II (Cayman), LP
CCP Investor 2	Centerbridge Capital Partners SBS II (Cayman), LP
Centerbridge	Centerbridge Partners L.P
CHESS	Clearing House Electronic Subregister System
CHESS Holding	A holder of Shares in the CHESS subregister of Boart Longyear
CHESS Holding Acceptance Form	The CHESS Holding Acceptance Form
Closing Date	The date the Share Buy Back Offer closes, being 19 January 2015
Convertible Preference Shares	The convertible preference shares which may be issued by the Company on the terms 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 Participant	A Shareholder at 7.00pm on the Record Date who is not an Ineligible Foreign Shareholder
Equitisation	The issue of the Shares or Convertible Preference Shares to Centerbridge in consideration for the cancellation of US\$16 million of Existing Unsecured Notes held by Centerbridge pursuant to the Equitisation Subscription Agreement
Existing Secured Notes	Boart Longyear Management Pty Limited's outstanding 10.00% Senior Secured Notes due 2018.
Existing Unsecured Notes	Boart Longyear Management Pty Limited's outstanding 7.00% Senior Secured Notes due 2021

6. GLOSSARY (CONTINUED)

TERM	MEANING
Ineligible Foreign Shareholder	<p>Any Shareholder:</p> <ul style="list-style-type: none"> – to whom Boart Longyear would be prohibited from paying money pursuant to the: <ul style="list-style-type: none"> • Banking (Foreign Exchange) Regulations 1959 (Cth); • regulations made under the Charter of the United Nations Act 1945 (Cth) imposing financial sanctions including the Charter of the United Nations (Dealing with Assets) Regulations 2008 (Cth); or • any other law, act, rule or regulation prohibiting Boart Longyear from making payments to foreign persons; – who resides in a jurisdiction where it would be illegal under the laws of Australia or that jurisdiction to make any invitation to the holder to participate in the Share Buy Back Offer; – whose participation in the Share Buy Back Offer is not permitted under the laws of Australia or the jurisdiction in which they are resident; or – who resides in a jurisdiction outside Australia and New Zealand and it would be unreasonable to make an invitation to the holder having regard to each of the following: <ul style="list-style-type: none"> • the number of holders in that jurisdiction; • the number and value of the Shares held by holders in that jurisdiction; and • the cost of complying with legal requirements and the requirements of any relevant regulatory authority applying to making the invitation in that jurisdiction. <p>For the avoidance of doubt, Ineligible Foreign Shareholder includes: (i) any person who is located or resident in the United States; (ii) any US Person; (iii) any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; or (iv) any person who has a registered address in Canada.</p>
Issuer Sponsored Holding Acceptance Form	The Issuer Sponsored Holding Acceptance Form
Majority Stockholder	A “person” or a member of “group” (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act) that is the “beneficial owner” (as defined in Rule 13d-3 and 13d-5 under the Exchange Act) directly or indirectly of more than 49.9% of the total voting power of the Voting Stock of the Company at such time.
Notice of Meeting	The Company’s notice of extraordinary general meeting and explanatory statement dated 18 November 2014.
Recapitalisation	The recapitalisation transactions announced by the Company on 23 October 2014
Record Date	24 December 2014
Registry	Link Market Services Limited
Rights Issue	A fully underwritten renounceable pro rata rights issue of 0.9798 new Shares for every Share held at the Record Date at A\$0.1650 per New Share to raise approximately A\$103.1 million (US\$84 million)
Share	A fully paid ordinary share of Boart Longyear
Share Buy Back Offer	The Company’s offer to buy-back Shares at the Buy Back Price
Shareholder	A person registered in the register of members of Boart Longyear as a 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
United States	The United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia.
US Person	The meaning given by Regulation S under the United States Securities Act of 1933, as amended.
Voting Stock	All classes of Equity Interests of the Company then outstanding and normally entitled (without regard to the occurrence of any contingency) to vote in the election of the Directors, managers or trustees thereof, and including any other share equivalents of the Company that constitute “Voting Stock” as defined in the Indenture, dated as of March 28, 2011, as supplemented, amended or modified from time to time, between Boart Management and U.S. Bank National Association, as trustee, governing the Existing Unsecured Notes
Withdrawal/ Amendment Form	The Withdrawal/Amendment Form to be used by an Eligible Participant who has previously accepted the Share Buy Back Offer who wishes to withdraw or amend their acceptance of the Share Buy Back Offer

CORPORATE DIRECTORY

Company Secretaries

Paul Blewett
Fabrizio Rasetti

Registered Office

26 Burbridge Business Park
Adelaide Airport SA 5950
Australia

Share registry

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Level 12, 680 George Street
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Australia

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

Website

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

Boart Longyear Shareholder information line

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



**BOART
LONGYEAR™**

ABN 49 123 052 728

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

**BUY BACK OFFER
ISSUER SPONSORED HOLDERS**

**THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND
IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

Securityholder Reference Number (SRN):

Shares you can accept as at 7:00pm (AEDT) on 24 December
2014 (Record Date):

A

I/We offer to sell the following Shares to Boart Longyear Limited ("Company") on the terms and conditions set out in the Share Buy Back Booklet.
You should refer to the Share Buy Back Booklet and the special instructions overleaf before completing this Acceptance Form.

B All of my/our Shares

OR

C Specify Number of Shares

If you wish to accept some of your Shares,
enter the number of Shares you wish to
accept.

The number of Shares written in Part C, if any, must not be more than the number in Part A.

D Please sign within the boxes below in accordance with instructions overleaf

Individual OR Joint Shareholder 1
Sole Director and Sole Company Secretary

Joint Shareholder 2 OR
Director/Company Secretary

Joint Shareholder 3 OR
Director

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

Date

**ACCEPTANCE FORMS MUST BE RECEIVED BY THE REGISTRY, LINK MARKET SERVICES LIMITED
BY NO LATER THAN 5:30PM (AEDT) ON 19 JANUARY 2015**

BLY BBK001

Buy Back Offer Instructions – Issuer Sponsored Holders

How to complete this Acceptance Form

The instructions below are cross-referenced to each section of the Acceptance Form. Please complete the form in black ink. Defined terms have the same meaning as in the Share Buy Back Booklet.

A This is the total number of Shares registered in your name as at 7:00pm (AEDT) on 24 December 2014. If you want to participate in the Share Buy Back Offer, you can offer to sell some or all of these Shares to Boart Longyear Limited ("Boart Longyear") (by following the instructions set out below).

B If you wish to offer to sell ALL of your Shares, please place a 'X' in this box.

C If you wish to accept a part of your holding at the Record Date, please write the number of Shares you wish to accept in this Box.

Note that the number of Shares entered in this Part (if any) must not be more than the number of Shares in Box A.

For further details please refer to the Share Buy Back Booklet.

You should only complete one of Box B or C but not both.

D Sign and date the Acceptance Form at Part D. By signing and returning this Acceptance Form you acknowledge that you have read and understood the Share Buy Back Booklet and that the acceptance specified on this Acceptance Form is an offer to sell the accepted Shares to Boart Longyear on the terms and conditions set out in the Share Buy Back Booklet.

Joint Shareholders – all holders must sign.

Under power of attorney – where this Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an original certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an original certified copy of probate or letters of administration to the Registry.

Company – this Acceptance Form must be signed by 2 directors, a director and company secretary or, in the case of a company with a sole director who is also the sole company secretary, the sole director.

Personal Information Collection Notification Statement: Link Group advises that personal information it holds about you (including your name, address, date of birth and details of the financial assets) is collected by Link Group organisations to administer your investment. Personal information is held on the public register in accordance with Chapter 2C of the *Corporations Act 2001*. Some or all of your personal information may be disclosed to contracted third parties, or related Link Group companies in Australia and overseas. Your information may also be disclosed to Australian government agencies, law enforcement agencies and regulators, or as required under other Australian law, contract, and court or tribunal order. For further details about our personal information handling practices, including how you may access and correct your personal information and raise privacy concerns, visit our website at www.linkmarketservices.com.au for a copy of the Link Group condensed privacy statement, or contact us by phone on +61 1800 502 355 (free call within Australia) 9am–5pm (Sydney time) Monday to Friday (excluding public holidays) to request a copy of our complete privacy policy.

Submitting your Acceptance Form

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

Use the enclosed envelope to send or deliver your completed and signed Acceptance Form to the following address so that it is received by no later than 5:30pm (AEDT) on 19 January 2015.

Mailing Address

Boart Longyear Limited Buy Back
C/- Link Market Services Limited
Locked Bag A14
SYDNEY SOUTH NSW 1235

OR

Delivery Address

Boart Longyear Limited Buy Back
C/- Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138

THIS ACCEPTANCE FORM RELATES TO THE SHARE BUY BACK OFFER AND
SHOULD BE READ IN CONJUNCTION WITH THE SHARE BUY BACK BOOKLET.

THE TERMS AND CONDITIONS OF THE SHARE BUY BACK OFFER, AND THE EFFECT OF SUBMITTING AN
ACCEPTANCE FORM, ARE SET OUT IN THE SHARE BUY BACK BOOKLET.

The Share Buy Back Offer is not being made to Ineligible Foreign Shareholders, which includes any: (i) person who is located or resident in the United States; (ii) U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended); (iii) agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.



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THE UNITED STATES**

BUY BACK OFFER

CHESS HOLDERS

**THIS DOCUMENT IS IMPORTANT. IF YOU DO NOT UNDERSTAND
IT YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER.**

**Do NOT send your Acceptance Form to the Registry. Send
this Acceptance Form to your controlling CHESS participant.
Please refer to the instructions on the back of this Acceptance
Form.**

Controlling CHESS Participant as at 7:00pm (AEDT)
on 24 December 2014:

Holder Identification Number (HIN):

Shares you can accept as at 7:00pm (AEDT) on 24 December
2014 (Record Date):

A

I/We offer to sell the following Shares to Boart Longyear Limited ("Company") on the terms and conditions set out in the Share Buy Back Booklet.
You should refer to the Share Buy Back Booklet and the special instructions overleaf before completing this Acceptance Form.

B

ALL of my/our Shares

OR

C

Specify Number of Shares

If you wish to accept some of your Shares,
enter the number of Shares you wish to
accept.

The number of Shares written in Part C, if any, must not be more than the number in Part A.

D

Please sign within the boxes below in accordance with instructions overleaf

Individual OR Joint Shareholder 1
Sole Director and Sole Company Secretary

Joint Shareholder 2 OR
Director/Company Secretary

Joint Shareholder 3 OR
Director

Telephone Number – Business Hours

Telephone Number – After Hours

Contact Name (PRINT)

Date

**ACCEPTANCE FORMS MUST BE RECEIVED BY YOUR CONTROLLING PARTICIPANT SO THAT YOUR CONTROLLING
PARTICIPANT CAN PROCESS YOUR ACCEPTANCE BY NO LATER THAN 5:30PM (AEDT) ON 19 JANUARY 2015**

BLY BBK002



Buy Back Offer Instructions – CHESS Holders

How to complete this Acceptance Form

The instructions below are cross-referenced to each section of the Acceptance Form. Please complete the form in black ink. Defined terms have the same meaning as in the Share Buy Back Booklet.

A This is the total number of Shares registered in your name as at 7:00pm (AEDT) on 24 December 2014. If you want to participate in the Share Buy Back Offer, you can offer to sell some or all of these Shares to Boart Longyear Limited ("Boart Longyear") (by following the instructions set out below).

B If you wish to offer to sell ALL of your Shares, please place a 'X' in this box.

C If you wish to accept a part of your holding at the Record Date, please write the number of Shares you wish to accept in this Box.

Note that the number of Shares entered in this Part (if any) must not be more than the number of Shares in Box A.

For further details please refer to the Share Buy Back Booklet.

You should only complete one of Box B or C but not both.

D Sign and date the Acceptance Form at Part D. By signing and returning this Acceptance Form you acknowledge that you have read and understood the Share Buy Back Booklet and that the acceptance specified on this Acceptance Form is an offer to sell the accepted Shares to Boart Longyear on the terms and conditions set out in the Share Buy Back Booklet.

Joint Shareholders – all holders must sign.

Under power of attorney – where this Acceptance Form is signed under power of attorney, the attorney declares that the attorney has no notice of revocation of the power or the death of the donor of the power. If not already noted by the Registry, an original certified copy of the power of attorney must be sent to the Registry.

Deceased estate – all executors should sign. If not already noted by the Registry, send an original certified copy of probate or letters of administration to the Registry.

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Submitting your Acceptance Form

Do not send your Acceptance Form to the Registry.

You need to ensure that your Controlling Participant (normally your stockbroker) receives your acceptance instructions in sufficient time for them to process your acceptance by no later than 5:30pm (AEDT) on 19 January 2015. The name of the Controlling Participant who manages your CHESS holding as at 7:00pm (AEDT) on 24 December 2014 is pre-printed on the front of this Acceptance Form.

If you return your completed Acceptance Form to the Registry instead of your Controlling CHESS participant, the Registry will endeavour to contact your Controlling CHESS Participant on your behalf and relay your instructions. Neither Boart Longyear nor the Registry will be responsible should your Controlling CHESS Participant not acknowledge and accept your instructions.

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

THIS ACCEPTANCE FORM RELATES TO THE SHARE BUY BACK OFFER AND
SHOULD BE READ IN CONJUNCTION WITH THE SHARE BUY BACK BOOKLET.

THE TERMS AND CONDITIONS OF THE SHARE BUY BACK OFFER, AND THE EFFECT OF SUBMITTING AN
ACCEPTANCE FORM, ARE SET OUT IN THE SHARE BUY BACK BOOKLET.

The Share Buy Back Offer is not being made to Ineligible Foreign Shareholders, which includes any: (i) person who is located or resident in the United States; (ii) U.S. person (as defined in Regulation S under the U.S. Securities Act of 1933, as amended); (iii) agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States; and (iv) person who has a registered address in Canada.