



Drilling Services – California, USA

Annual General Meeting

26 May 2015 - Melbourne



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- Due care and attention should be undertaken when considering and analysing the financial performance of the Company.
- All references to dollars are to United States currency unless otherwise stated. Rounded figures may differ slightly from reported results which utilise more precise rounding.



UMX™ 10 Diamond Bit

Chairman's Address



Who we are



RESULTS



DRILLING



GLOBAL



PEOPLE



TECHNOLOGY



PRODUCTS

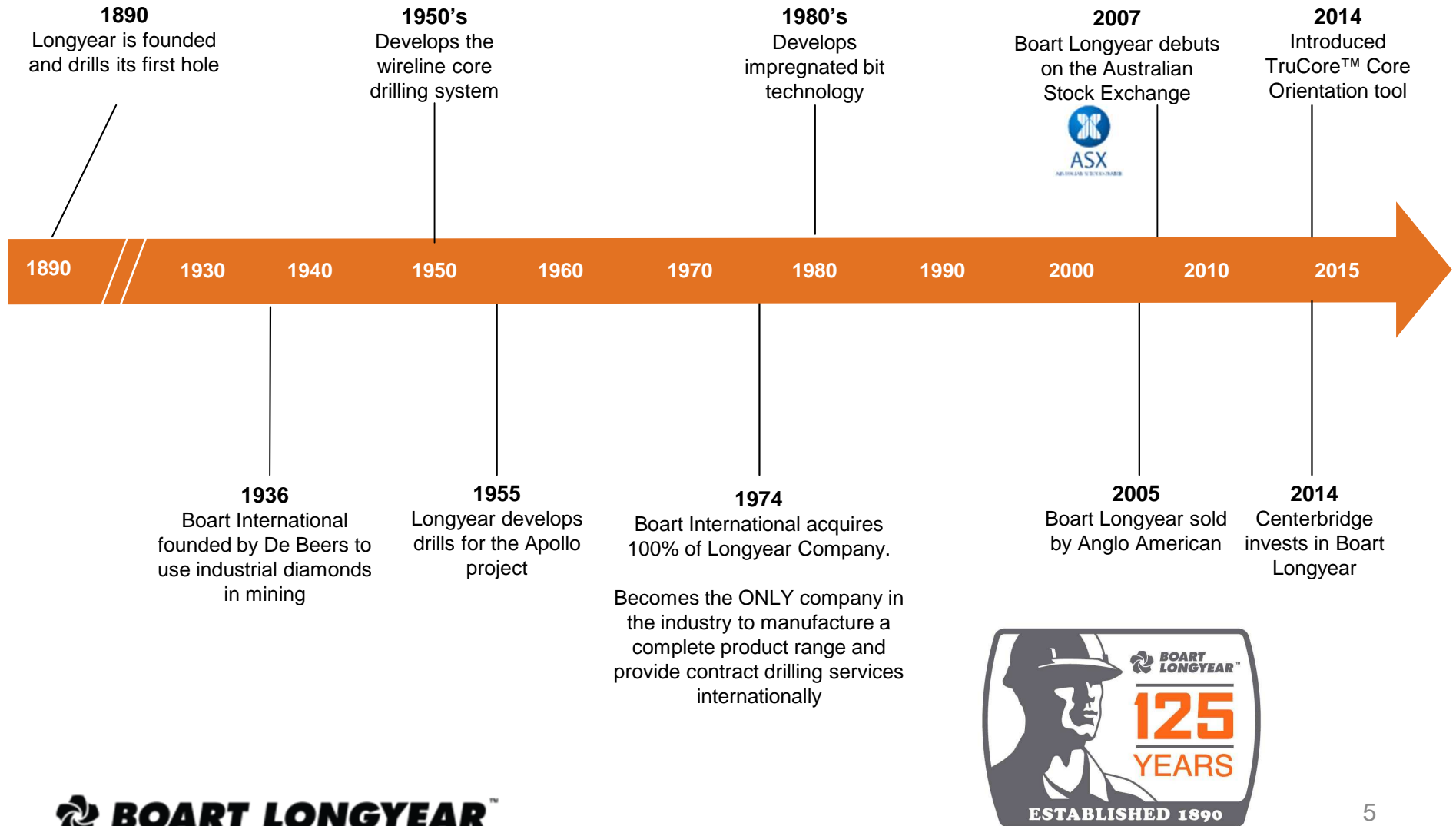


HISTORY

INTEGRITY

- ❖ Boart Longyear is a leading provider of drilling services, drilling equipment, and tooling for mining and drilling companies globally.
- ❖ Customers rely on our unique ability to develop, field test and deliver any combination of drilling consumables, capital equipment and expertise direct to any corner of the world.

125 Years of Mineral Drilling Expertise



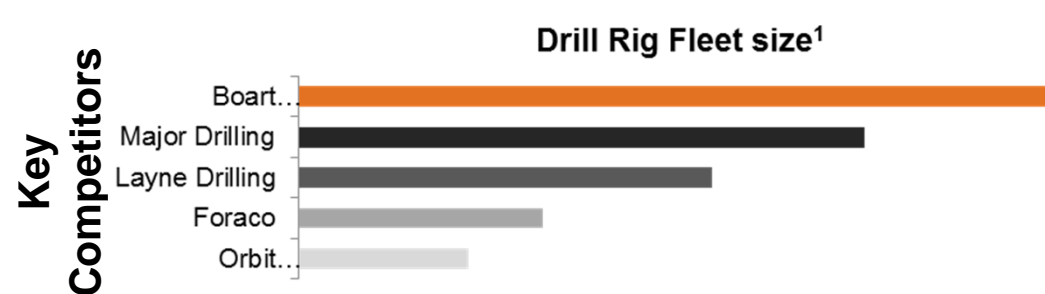
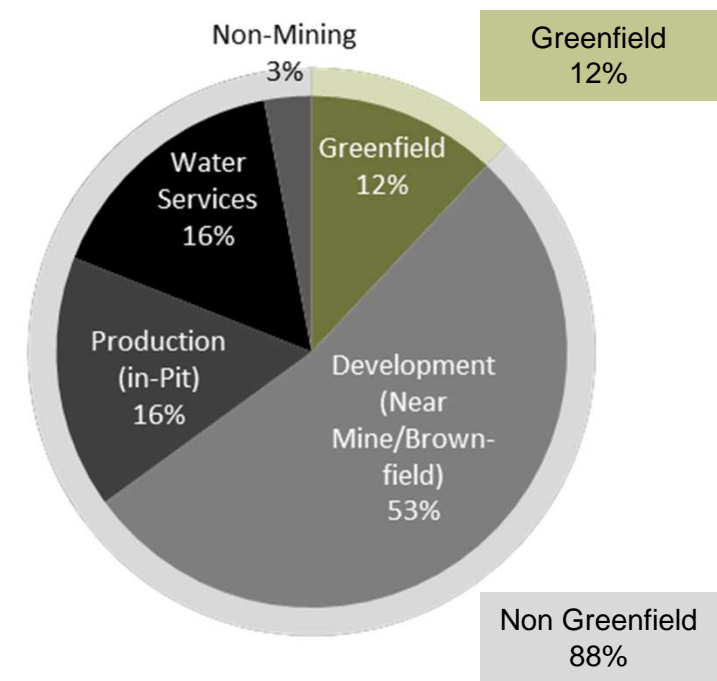
Global Drilling Services

Active across the mining stages



Stage	Boart Longyear Service Offering
Explore	<ul style="list-style-type: none"> Surface coring Reverse Circulation ("RC") to get through overburden quickly Rotary for water exploration to build hydrology intelligence
Evaluate	<ul style="list-style-type: none"> Surface coring Reverse Circulation
Develop & Construct	<ul style="list-style-type: none"> Water services Underground drilling Surface coring
Mine	<ul style="list-style-type: none"> Reverse Circulation for step out drilling Reverse Circulation to get through overburden quickly Underground blast and percussive drilling In pit surface and underground coring Drilling horizontal and vertical drains for pit stabilization
Process & Optimize	<ul style="list-style-type: none"> Underground coring Water services Sonic

Drilling Services Revenue by Stage – FY2014



¹ As of 31 December 2014, except for Major which is as of 31 January 2015. Layne reflects minerals division only.

Global Products Technology innovator



Minerals & Energy

Rock Drill & Blast

Environmental & Infrastructure

Key Innovations

Drilling Tools



- **UMX™ Diamond Bits**
- Higher penetration/longer life
- **RQ™ Drill Rods**
- Most reliable deep hole rod
- **Q™ Wireline System**
- Most trusted wireline system
- **Roller Latch™**
- Increased safety/productivity

Drilling Equipment



- **LX™11 Coring Rig**
- Safer & more productive
- **LS™250 MiniSonic™ Rig**
- More efficient/better samples
- **DCi™ Control System**
- Unattended drilling
- **S250-M3 Rock Drill**
- Same power, less noise

Key Customers



Key Competitors



Global presence

Serving our customers in major mining markets

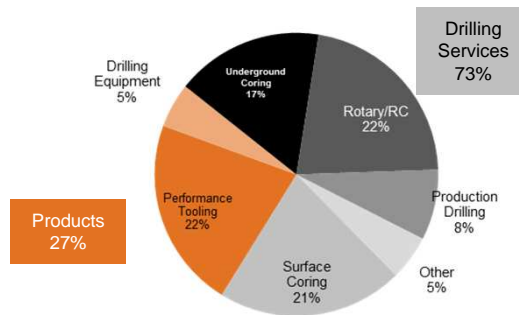


- Countries where Boart Longyear Products or Services are sold
- Distribution Centers
- Manufacturing Plants
 - Salt Lake City, USA
 - Eiterfeld, Germany
 - Mississauga, Canada
 - Wroclaw, Poland
 - North Bay, Canada
 - Wuxi, China

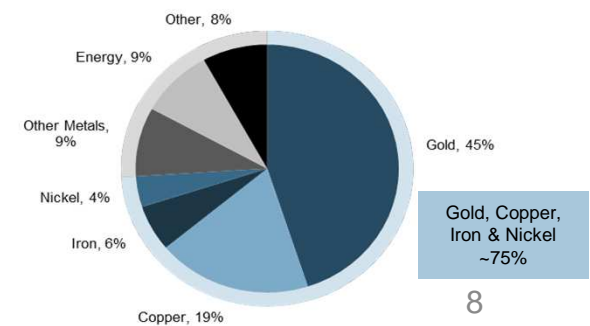
Note: Figures are as of 31 December 2014



FY 2014 Total BLY Revenue – Products & Drilling Services

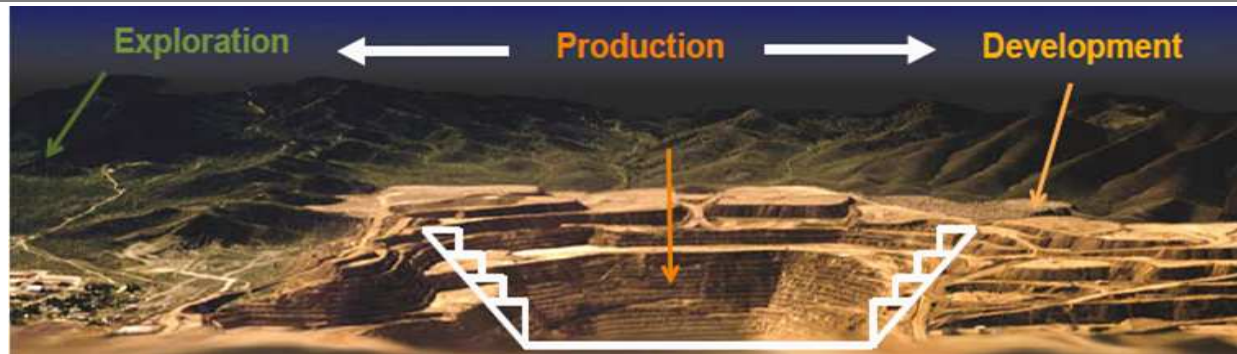


FY 2014 Drilling Services Revenue by Commodity



Multiple entry points into mining life cycle

Vertically integrated business



Exploration

Production

Development

Key Activities Requiring Drilling Services	<ul style="list-style-type: none"> Discovery of mineral deposits Integrity of core samples is crucial to determine feasibility of prospect 	<ul style="list-style-type: none"> Surface and underground extraction of minerals Mine planning and grade control 	<ul style="list-style-type: none"> Assessment of development feasibility Definition of geological conditions
Cyclicity of Operations	<ul style="list-style-type: none"> Greater cyclicity More exposed to underlying drivers of commodity demand 	<ul style="list-style-type: none"> Lower cyclicity Assets are already producing and therefore less exposed to shorter term commodity demand fluctuations 	<ul style="list-style-type: none"> Medium / lower cyclicity Less susceptible to commodity demand fluctuations than exploration
Drilling Services - Target Customers	<ul style="list-style-type: none"> Mining companies Land & mineral rights owners Investment companies 	<ul style="list-style-type: none"> Mining companies Consultants EPA 	<ul style="list-style-type: none"> Mining companies Consultants
Drilling Products - Target Customers	<ul style="list-style-type: none"> Drilling contractors Distributors 	<ul style="list-style-type: none"> Mining companies Drilling contractors Distributors 	<ul style="list-style-type: none"> Mining companies Drilling contractors Distributors

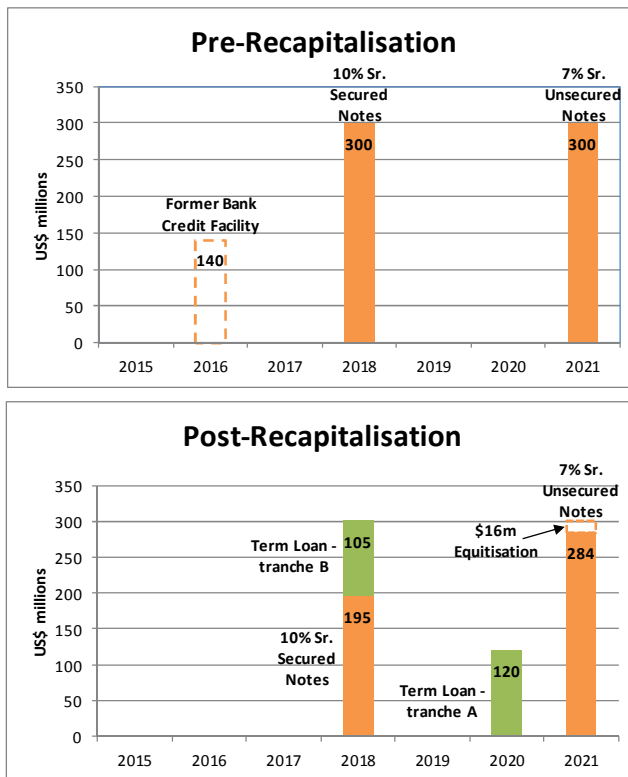
Successful Recapitalisation supports ongoing efforts to improve performance...



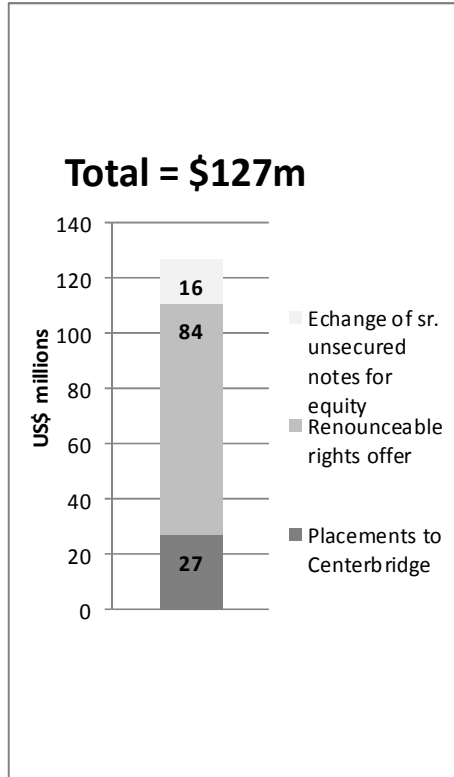
Transaction Highlights

- ❖ Comprehensive recapitalisation
- ❖ New equity of \$127m plus new debt of \$225m extends debt maturity
- ❖ Company is better positioned to sustain operations through to market recovery

New Term Loans (covenant-lite)



New Equity Capital






...with experienced Board of Directors and Management executing on strategy





Board and Management team have significant industry and financial expertise

Board of Directors

<p>Marcus Randolph (also Board Chairman)</p>		<ul style="list-style-type: none"> • Appointed February 2015 • Most recently chief executive of BHP Billiton's Ferrous and Coal business • 35 years of mining experience 	<p>Bruce Brook</p>		<ul style="list-style-type: none"> • Appointed February 2007 • Former financial executive • 30+ years of resource experience
<p>Bret Clayton</p>		<ul style="list-style-type: none"> • Appointed February 2015 • Most recently group executive and member of Rio Tinto's executive committee • 20 years of mining experience 	<p>Peter Day</p>		<ul style="list-style-type: none"> • Appointed February 2014 • Former executive roles in finance and general management • 15 years of mining experience
<p>Jonathan Lewinsohn</p>		<ul style="list-style-type: none"> • Appointed October 2014 • Partner at Centerbridge Partners, LP 	<p>Rex McLennan</p>		<ul style="list-style-type: none"> • Appointed August 2013 • Former financial executive • 30+ years of resource experience
<p>Conor Tochilin</p>		<ul style="list-style-type: none"> • Appointed October 2014 • Principal at Centerbridge Partners, LP 			

Management Team

<p>President & CEO Richard O'Brien (also a Board member)</p>		<ul style="list-style-type: none"> • Appointed April 2013 • Prior CEO of Newmont Mining • Other previous positions: CFO Newmont, CFO AGL Resources, COO/CFO PacifiCorp • 30 years experience 	<p>Sr. Vice President, CFO Jeffrey Olsen</p>		<ul style="list-style-type: none"> • Appointed April 2014 • Prior chief commercial officer for Rio Tinto's Iron & Titanium business and chief financial officer of Rio Tinto's Borax & Minerals division • 18 years of mining experience
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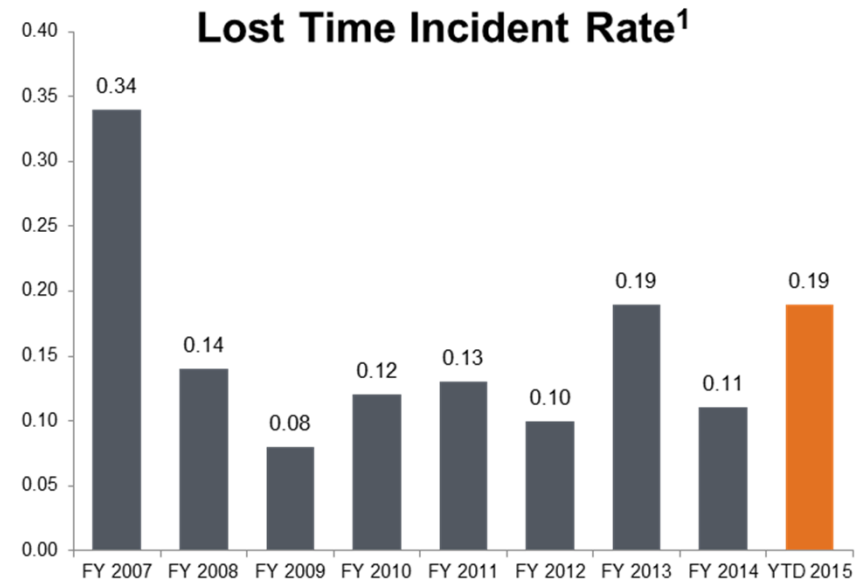
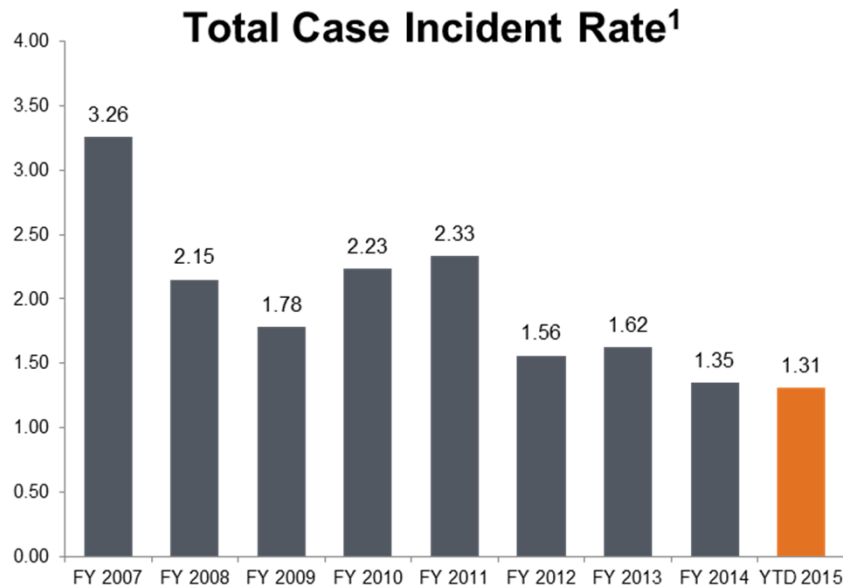
CEO's Address

LSTM250 MiniSonic™ Rig



Safety & Environment

Our goal is adding value with zero harm – leading our industry with our employees returning home safely each day and performing our work with minimal impact to our neighbours or the environment.



- **Safety Performance**

- Challenging start to 2015 with several hand and leg injuries, company is experiencing a curb to negative trend
- No fatalities

- **Proactive Safety Culture**

- Focused field leadership interactions with field employees covering company significant risk profile
- Quarterly “Step Up To Safety” safety forums being conducted globally reinforcing key company EHS programs
- Continuation of “Make it Personal” campaign with employee generated “Make It Personal” stories

- **Vehicle Risk**

- In conjunction with current driver telematics, in-cab fatigue monitoring devices being trialled in select drilling services fleet vehicles



Challenging start to 2015 stabilising through visible field leadership and personal safety initiative

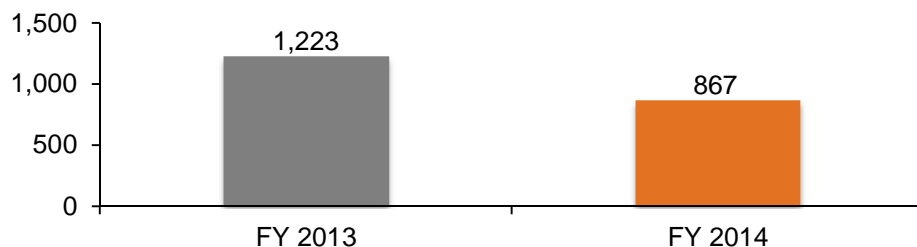
¹ Per 200,000 work hours; YTD 2015 is for period ended 30 April 2015

Our business remained challenged in 2014, but some signs of stabilisation appeared...

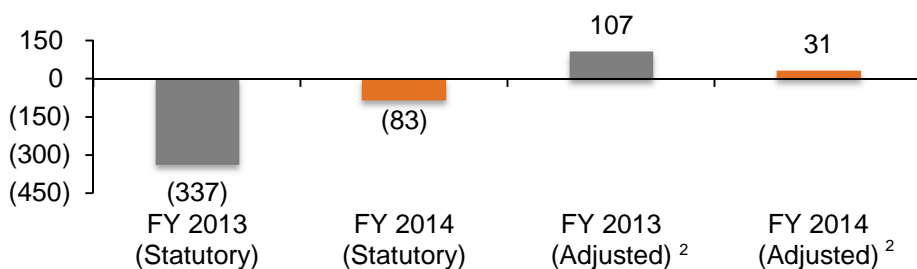


(US\$M)

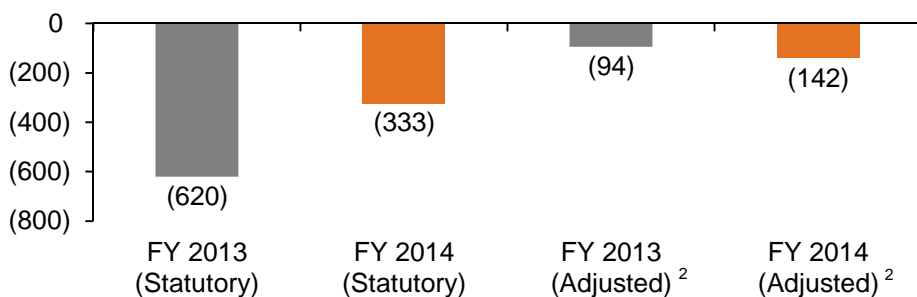
Revenue



EBITDA



Net Profit After Tax



- Activity levels stabilised beginning in the 2nd half of 2014, but remain at historically low levels
- Pricing pressure continues, particularly in the Drilling Services division
- Further headwinds beginning in 4th quarter of 2014 from stronger US dollar

- Drilling Services price and volume reductions negatively impacted margins despite SG&A and other cost reductions
- Productivity improvements partially offset impact of price declines

- Statutory EPS of (70.8) in 2014 cents compared to (136.1) cents in 2013

- \$114M of significant items in 2014, comprised of \$46M of recapitalisation costs and \$68M of restructuring, asset impairment and other employee related costs. Of these significant items, \$46M were cash.

- No full year dividend to be paid

² EBITDA, Adjusted EBITDA, Adjusted EBIT, and Adjusted NPAT are non-IFRS measures and are used internally by management to assess the performance of the business. For 2014, the adjusted figures have been derived from the Company's financial statements by adding back \$114M pre-tax (\$80M post-tax) of significant items and \$111M of tax expense on derecognition of deferred tax assets and unrecognised tax losses in the current year.

...with positive activity levels in North America and traction with cost efforts evident in Q1 2015...



(Millions) ³	First Quarter Ended			Fourth Quarter Ended
	2015	2014	2013	2014
Total Company				
Revenue	187.2	197.4	370.2	205.8
Statutory EBITDA	(14.2)	(1.9)	34.6	(61.9)
Adjusted EBITDA ¹	(9.5)	3.8	40.3	(3.2)
Statutory Operating Profit (Loss)	(39.4)	(29.4)	(2.2)	(83.4)
Profit (Loss) from Trading Activities ²	(24.2)	(23.3)	7.9	(14.3)
Net Cash Flows Provided By (Used In) Operating Activities	(74.9)	(6.3)	(46.5)	(6.8)
Net Debt	538.1	544.4	571.3	547.6
Net Debt (<i>Pro Forma</i>) ⁴	N/A	N/A	N/A	466.0
SG&A	39.5	41.2	59.0	40.7
Number of Employees	5,537	5,593	8,283	5,933
Global Drilling Services				
Revenue	136.1	139.6	272.3	151.8
Statutory EBITDA	4.0	11.2	41.1	9.1
Average Number of Operating Drill Rigs ⁵	327	300	425	362
Average Number of Drill Rigs ⁵	933	950	1,044	944
Average Rig Utilisation	35%	32%	39%	38%
Number of Employees	3,833	3,874	6,749	4,172
Global Products				
Revenue	51.1	57.8	97.9	53.9
Statutory EBITDA	2.6	0.8	13.0	1.2
Average Backlog	18.9	15.2	43.3	19.3
Number of Employees	1,338	1,363	1,103	1,393

- Higher volumes in Drilling Services in Q1 2015 compared to Q1 2014
- Consolidated revenue in Q1 2015 vs. Q1 2014 negatively impacted by foreign currency translation against a stronger US dollar (totalling \$15 million) and lower prices within Drilling Services (\$4 million)
- Core operations, as reflected in a Loss from Trading Activities, were unfavourable by only \$1 million despite a \$10 million decrease in comparable period revenue
- Net cash flows used in operating activities in Q1 2015 driven by changes in working capital and \$19 million in cash payments for fees related to the recapitalisation

¹ Adjusted EBITDA is a non-IFRS measure and is used internally by management to assess the underlying performance of the business and has been derived from the Company's financial results by adding back charges (made against Statutory EBITDA) relating to restructuring, recapitalisation and impairments

² Profit (Loss) from Trading Activities is a non-IFRS measure and is used internally by management to assess the underlying performance of the business and has been derived from the Company's financial results by eliminating from Statutory Operating Profit (Loss) charges relating to restructuring, recapitalisation and impairments and other expense/income

³ Except number of employees, utilisation and rigs. Figures are period end, except where averages are indicated.

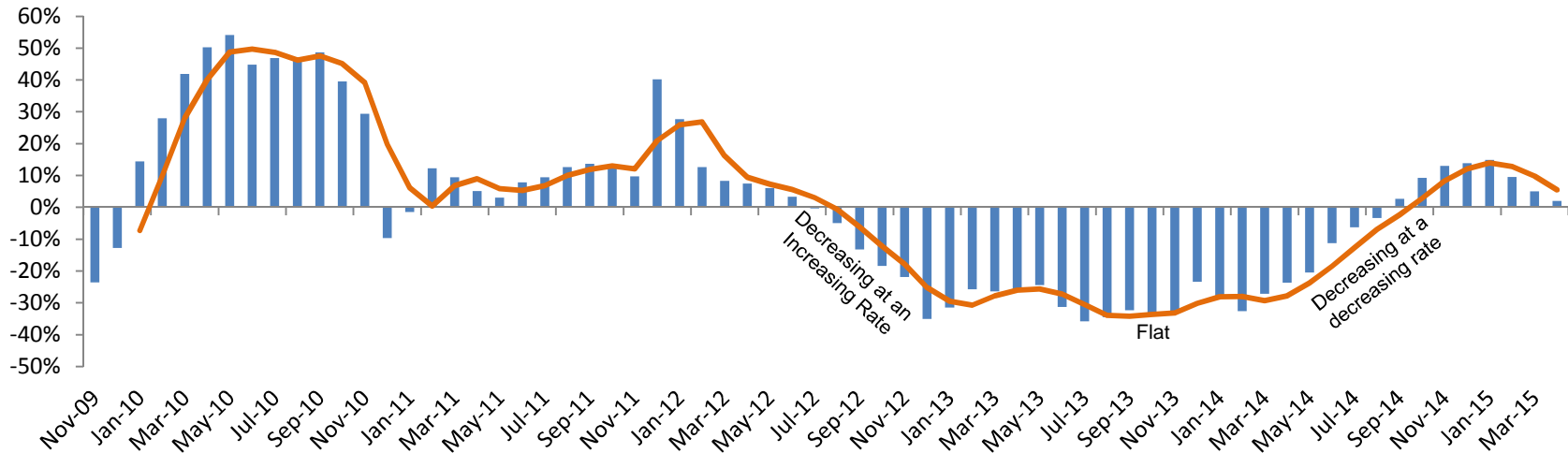
⁴ Pro forma inclusive of the final recapitalisation transactions that occurred in January 2015

⁵ The Company sold its US-based environmental and infrastructure drilling services operations on 15 July 2013. Figures shown exclude drill rigs held by these operations which totalled 102 in the first quarter of 2013.

...including an increase in year-over-year operating rigs and steady backlog

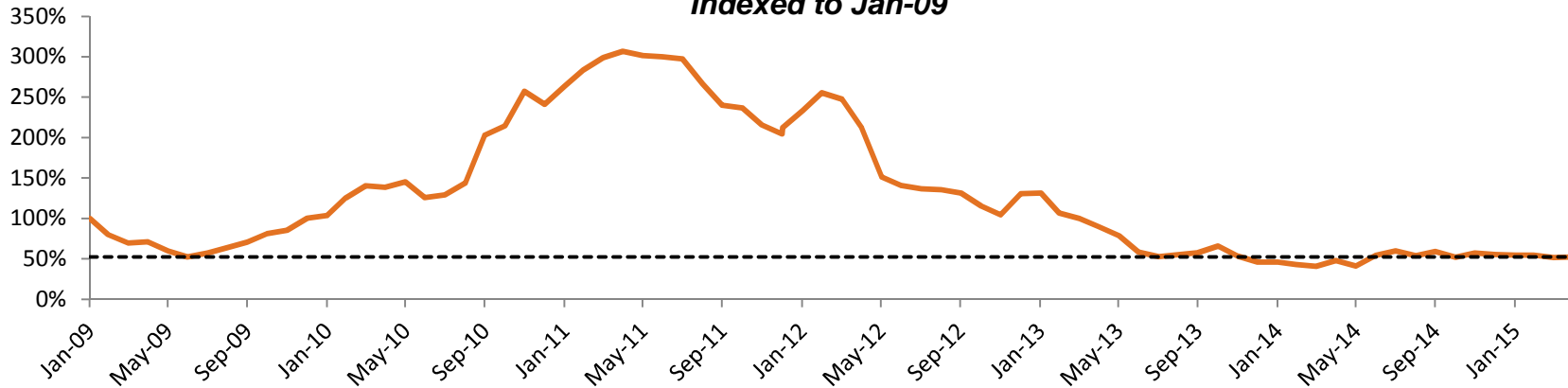


Year over Year % Change in Drilling Services' Operating Rigs



Products' Order Backlog

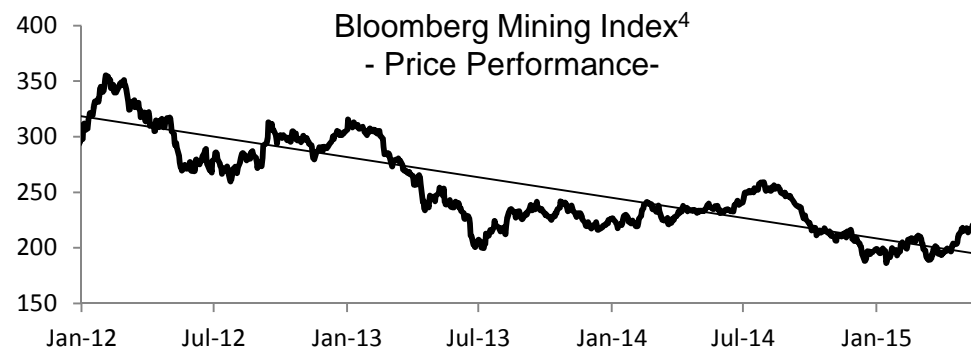
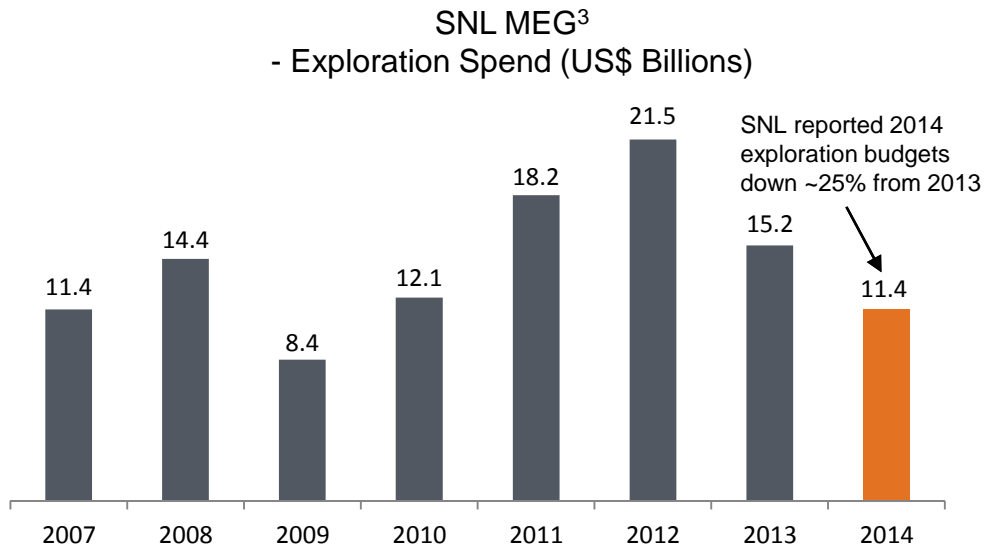
Indexed to Jan-09



Key mining performance indicators declined during 2014 and uncertainty persists



Mining Performance

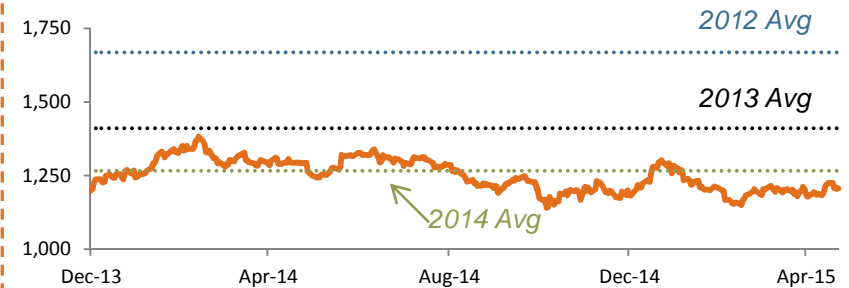


³ Source: SNL Metals Economics Group

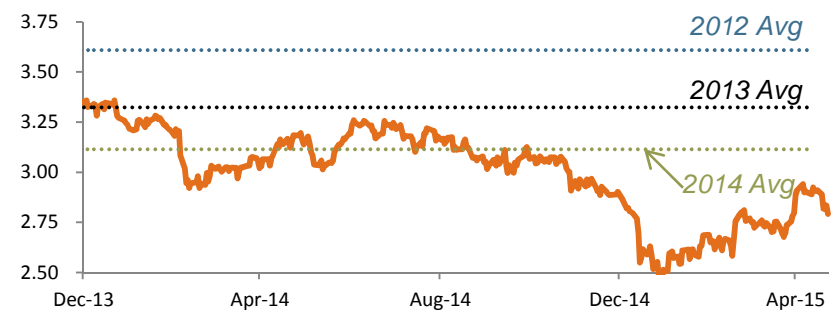
⁴ Source: Bloomberg

Key Commodity Trends³

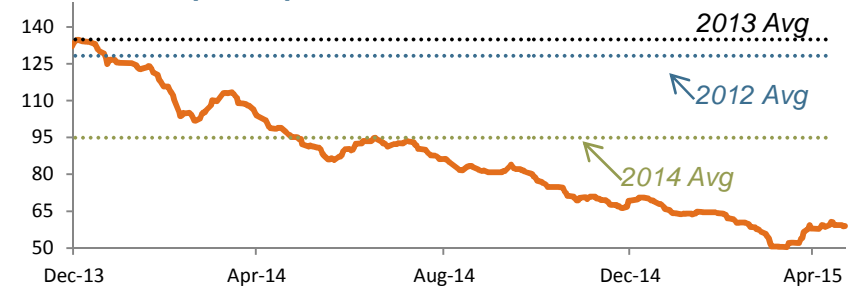
Gold (\$/oz.)



Copper (\$/lb.)



Iron Ore (\$/MT)



The Company's views for 2015 are unchanged as we do not see near-term catalysts to support a recovery



Overview of current market environment

Positives of Current Environment

- ❖ Commodities prices have shown signs of recent stabilization, albeit still below recent historic averages
- ❖ Production levels of commodities remains high which will create a future need for reserve replenishment via mineral exploration
- ❖ Boart Longyear's volume levels appear to have stabilised

Negatives of Current Environment

- ❖ The market for drilling services remains competitive with pressure on price as excess drill rig capacity persists
- ❖ Recent comments from customers and peers indicate subdued levels of mineral exploration spending
- ❖ The Company's views for full-year 2015 are unchanged as we do not see near-term catalysts to support a recovery

125 Years Strong – remain committed to deliver upon the Company's objectives



Safety

- Make safety personal
- Product innovation to enhance safety on site
- Continuous improvement initiatives

Customer

- Remain focused on maintaining and growing relationships
- Focus product development efforts around customer needs

Operations

- Continue to drive efficiencies throughout the business
- Expand solutions to drive productivity
- Disciplined capital management and cost control
- Focus on managing working capital

QUESTIONS?

