

16 May 2017

Boart Longyear Recapitalisation: Recapitalisation Update & ASX Waivers

Boart Longyear Limited (**ASX:BLY**) (**Boart Longyear** or the **Company**) refers to the recapitalisation proposal announced to ASX on 3 April 2017 (the **Recapitalisation**).

Recapitalisation Update

On 10 May 2017, the Supreme Court of New South Wales approved the Company's plans to convene meetings of relevant Company creditors to consider two schemes of arrangement implementing key components of the Recapitalisation (the **10 May Order**).

First Pacific Advisors, a holder of the Company's senior secured bonds who had unsuccessfully opposed the 10 May Order, has sought leave to appeal the order. The application for leave to appeal (and the substantive appeal, if leave is granted) is scheduled to be heard on Tuesday, 23 May 2017 in the New South Wales Court of Appeal. The Company will inform the market of all material developments concerning the appeal and Recapitalisation. First Pacific's leave to appeal does not currently affect the Company's plans or timetable for completing the Recapitalisation.

ASX Waivers

As set out in the Notice of Meeting and Explanatory Statement dated 12 May 2017 (the **Shareholders Notice of Meeting**), Boart Longyear had applied to ASX for a number of waivers in connection with the Recapitalisation. Boart Longyear is pleased to advise that it has been granted those waivers, as summarised by the following table:

Listing Rule in respect of which waiver obtained	Overview of impact
Listing Rule 10.1	The waiver of Listing Rule 10.1 allows Boart Longyear to make certain amendments to Term Loans A and B, which are secured by a security over assets granted by Boart Longyear and its subsidiaries in favour of Centerbridge Partners L.P. and its associates.
Listing Rule 7.3.8	The waiver of Listing Rule 7.3.8 allows shareholders who may participate in the SPP to vote on the resolution to approve the issue of shares under the SPP.
Listing Rule 10.11	The waiver of Listing Rule 10.11 allows Boart Longyear to issue up to A\$5,000 worth of shares under the Share Purchase Plan to each related party without obtaining shareholder approval, on the condition that all related parties are offered shares on the same terms as other shareholders.

The terms of the waiver of Listing Rule 10.1 are set out in Attachment A.



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Attachment A – Terms of the waiver of Listing Rule 10.1

Based solely on the information provided, ASX Limited (“ASX”) grants Boart Longyear Limited (the “Company”) the following waivers.

2.1. *A waiver from Listing Rule 10.1 to the extent necessary to permit the Company and its subsidiaries to grant security over its assets (“Security”) in favour of Centerbridge Partners, L.P. (“Centerbridge”) and its associates, to secure the Company’s obligations under a term loan comprising two tranches being the terms of Term Loan A and Term Loan B for a maximum total of US\$225 million pursuant to the loan agreement as amended (“Amended Loan Agreement”) and the drawdown facility in the amount of up to US\$20 million (“Drawdown Facility”) without obtaining shareholder approval, on the following conditions.*

2.1.1. *The Security includes a term that if an event of default occurs and Centerbridge, or any of its associates, exercises their rights under the Security, neither Centerbridge nor any of its associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company’s obligations under the Amended Loan Agreement, Drawdown Facility or the Security, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Centerbridge) appointed by Centerbridge exercising its power of sale under the Amended Loan Agreement, Drawdown Facility or the Security and selling the assets to an unrelated third party on arm’s length commercial terms and conditions and distributing the cash proceeds to Centerbridge in accordance with its legal entitlements.*

2.1.2. *A summary of the material terms of the Amended Loan Agreement, the Drawdown Facility and the Security is made in each annual report of the Company during the term of the Amended Loan Agreement, Drawdown Facility and the Security.*

2.1.3. *Any variations to the terms of the Amended Loan Agreement, Drawdown Facility or the Security which is:*

(a) not a minor change; or

(b) inconsistent with the terms of the waiver,

must be subject to shareholder approval.

2.1.4. *The Company must seek to discharge the Security when the funds advanced under the Amended Loan Agreement and Drawdown Facility are repaid, or if it is not discharged, seek shareholder approval for the continuation of the Security for any further loan amount.*

- 2.1.5. *The Company immediately releases to the market an announcement which sets out the terms of the waiver.*
- 2.1.6. *The Security includes a term that if an event of default occurs and Centerbridge, or any of their associates, exercises their rights under the Security, neither Centerbridge nor any of their associates can acquire any legal or beneficial interest in an asset of the Company in full or part satisfaction of the Company's obligations under the Amended Loan Agreement or the Security, or otherwise deal with the assets of the Company, without the Company first having complied with any applicable listing rules, including listing rule 10.1, other than as required by law or through a receiver, or receiver and manager (or any other person acting on behalf of Centerbridge) appointed by Centerbridge exercising its power of sale under the Amended Loan Agreement or the Security and selling the assets to an unrelated third party on arm's length commercial terms and conditions and distributing the cash proceeds to Centerbridge in accordance with its legal entitlements.*
- 2.1.7. *A summary of the material terms of the loan and the Security is made in each annual report of the Company during the term of the Amended Loan Agreement and the Security..."*