Sonic – Tasmania, Australia

Refinancing Presentation
October 2013

BOART LONGYEAR™

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- All references to dollars are to United States currency unless otherwise stated.

Executed a comprehensive refinancing solution to provide through-the-cycle flexibility

- The Company proactively sought, and successfully completed, a US$300 million offering of 5 year senior secured notes due on 1 October 2018
- Concurrently, the Company amended its existing revolving credit facility, reducing the facility limit to US$140 million[1] and amending the financial covenants
- Net proceeds from the notes offering were used to repay drawings under the existing credit facilities --- *excluding transaction costs, this was a debt neutral transaction*
- The new senior secured notes and the amended bank facility provide Boart Longyear with:
  - Significantly enhanced covenant flexibility
  - Extended debt maturity profile with no refinancing event before 2016
  - Stronger liquidity position

The new financing package provides Boart Longyear with substantial flexibility to operate on a through-the-cycle basis

[1] Amended bank facility of US$140mm of which up to US$120M may be borrowed in the form of revolving loans or letters of credit with the remaining US$20M available only for the issuance of unsecured letters of credit

Key elements of the refinancing

Senior Secured Note Offering

- US$300 million of fully secured notes
- 5 year maturity; notes come due on 1 October 2018
- Coupon of 10%; interest payable semi-annually
- First priority lien over most assets other than inventory & A/R
- No maintenance covenants

Amended Bank Facility

- Commitments reduced from US$450 million to US$140 million[1]
- Retained the original maturity 29 July 2016 (~3 years)
- Amended financial covenant package
  - Replaced the EBITDA leverage covenant with a minimum asset coverage test and a minimum liquidity requirement
- Modified the security package to allow the sharing of collateral with secured note holders: First priority lien over inventory & A/R
- Grid based pricing: Currently LIBOR + 400 basis points

No further refinancing needed or planned prior to the 2016 credit facility maturity

[1] Amended bank facility of US$140mm of which up to US$120mm may be borrowed in the form of revolving loans or letters of credit with the remaining US$20mm available only for the issuance of unsecured letters of credit

Enhanced covenant flexibility

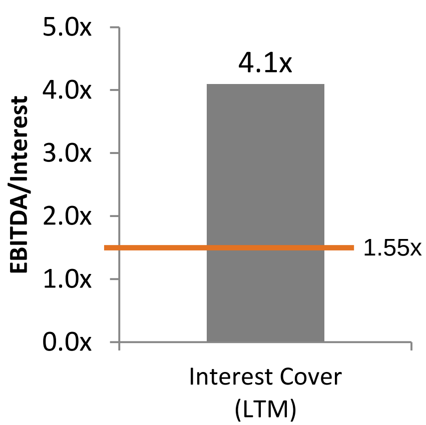
- **Amended financial covenants**
  - Leverage covenant eliminated (Gross debt / EBITDA)
  - Minimum interest cover (EBITDA / interest) reduced from 3.00x to 1.55x

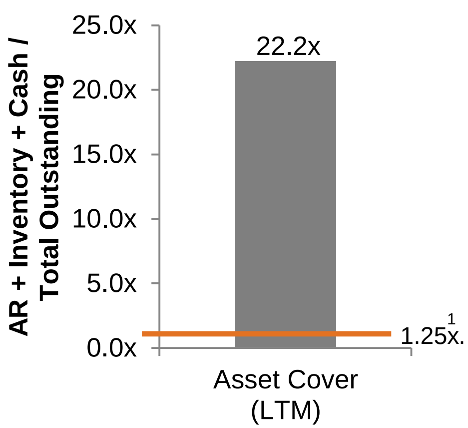
- **New financial covenants**
  - Minimum asset cover ratio[1] of 1.25x
  - Minimum liquidity test[2] of US$30M

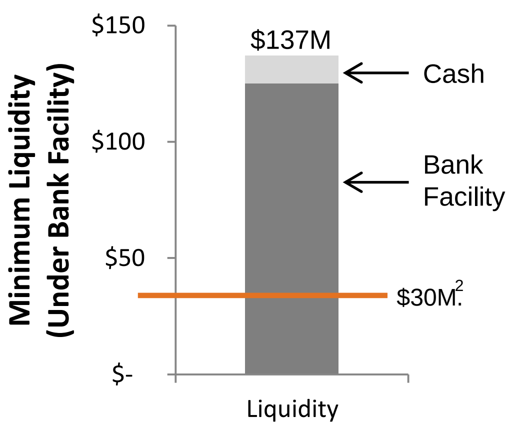
Provides adequate liquidity and no leverage test under the revised bank facility

Estimated Pro Forma headroom analysis

(as of 30 June 2013)







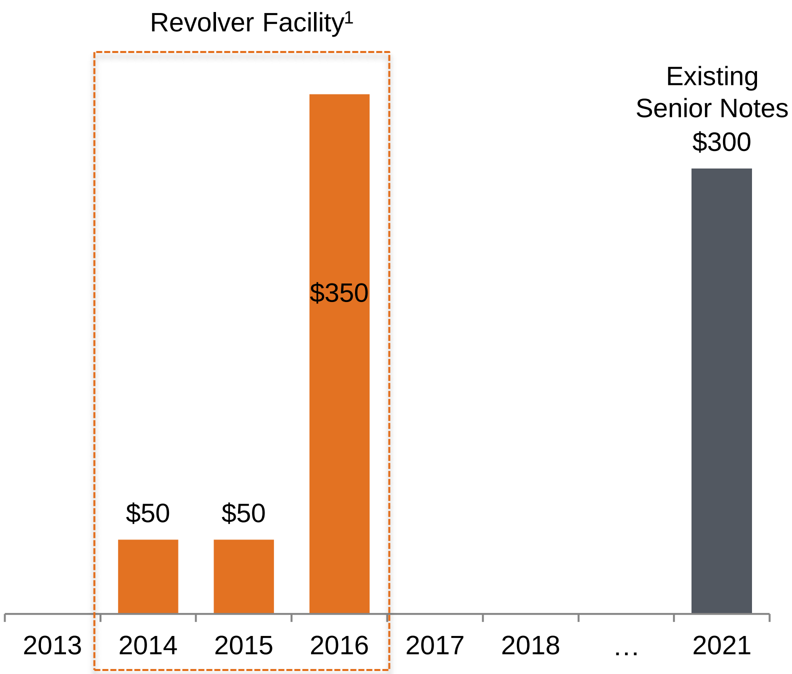
Covenant Requirements

[1] (Accounts receivable + inventory + unrestricted cash of obligor subsidiaries) / total outstanding loans and letters of credit under the amended bank facility

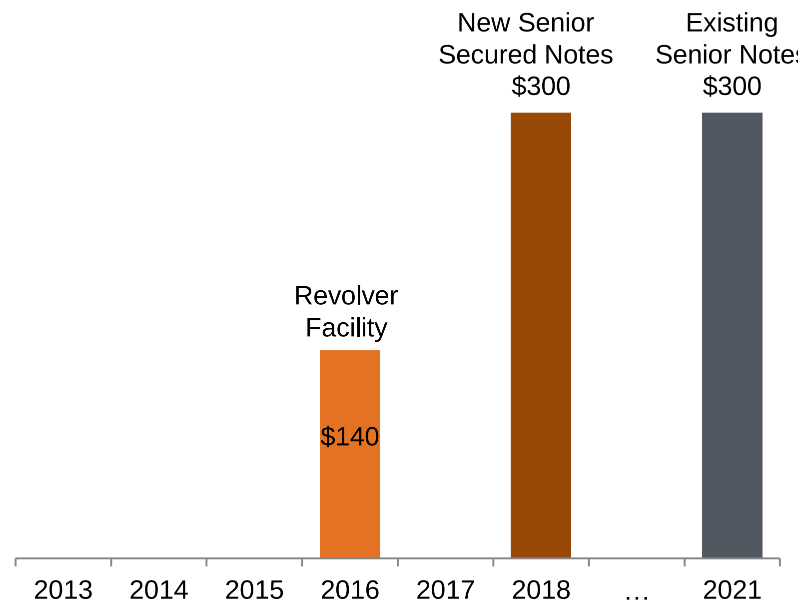
[2] Described as unrestricted cash *of* obligor subsidiaries plus availability under the amended bank facility

Debt maturity profile significantly extended

Former Debt Maturity (US$ million)



Current Debt Maturity (US$ million)



No maturity prior to 2016

[1] Scheduled reductions in commitments in 2014 and 2015 under bank loan facility (per amendment dated 29 June 2013)

Key Performance Indicators

	2013					2012		2009
	Mid-Sep	Mid-Aug	Mid-May	Mid-Feb		June		June
Rig Count	~1,035	~1,035	~1,040	1,065		~1,200		~1,200
Rig Utilisation	~45%	~50%	~60%	58%		~70%		~50%
Product Backlog	~$22M	~$20M	~$35M	$51M		~$62M		~$18M
Headcount	~6,100	~6,300	~8,000	8,680		~11,400		~6,100
Net Debt[1]	~$540M	~$545M	~$585M	$554M		~$373M		~$750M

Positive

- Underground business remains stable
- Selective R&D investment continues
- Key Drilling Services project wins
- Opportunities to take further costs out of the business over time and to increase operational efficiencies.

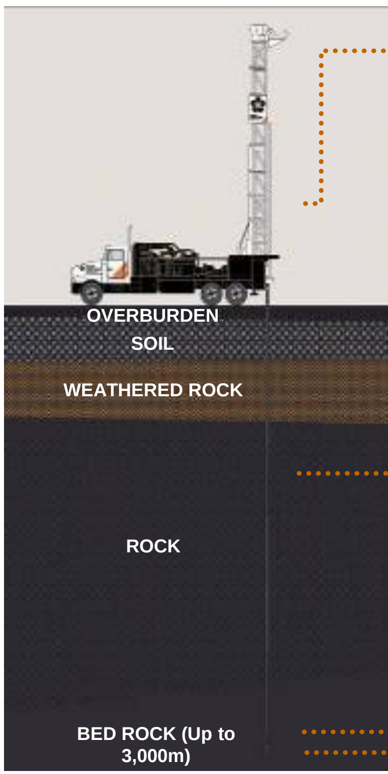
Weaknesses

- Commodity prices remain volatile
- Large mining companies continue to focus on cost reductions
- Global rig utilisation continues to weaken
- Continue to expect 2H pricing pressure

Focus on reducing costs and paying down debt

Vertically integrated business model provides competitive advantages

Drilling Services | **Products**



Mineral & Energy Drilling Rig

Drill Rod String

Core Barrel System

Mineral & Energy Core Drill Bit

Drilling Services Customers

- High Degree of Technical Innovation
- Early Insights to Changing Markets
- Superior R&D Capital Allocation
- Efficient Testing of New Products
- Speed to Market Advantage
- Optimized New Product Pipeline

Further integration will reduce costs and provide our customers with superior products and services at all mine stages

Products Customers

Leverage our long-standing relationships with the Majors

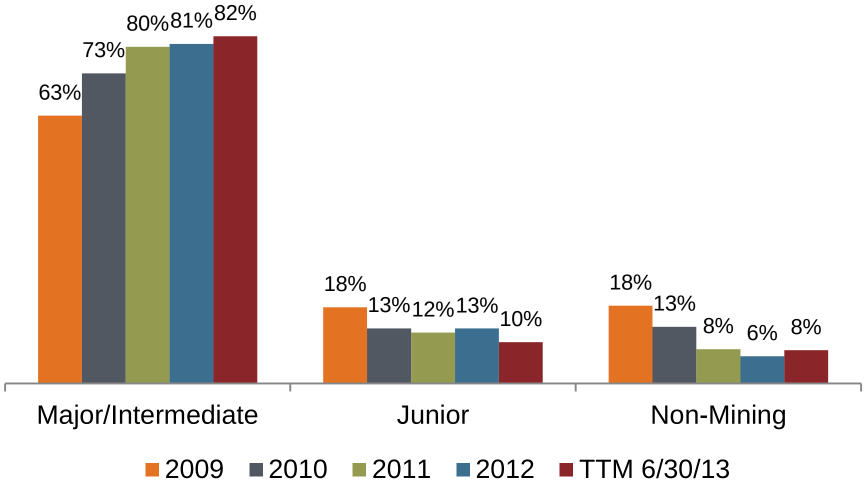
Customer	% of DS Revenues[1]	Length of Relationship
Customer 1	12%	> 10
Customer 2	9%	> 60
Customer 3	8%	> 25
Customer 4	6%	> 25
Customer 5	5%	> 20
Customer 6	5%	> 10
Customer 7	4%	> 75
Customer 8	3%	> 10
Customer 9	2%	> 15
Customer 10	2%	> 20
Total Top 10	**56%**	

[1]TTM June 2013 revenue of $1,237mm

Overview of Customer Base

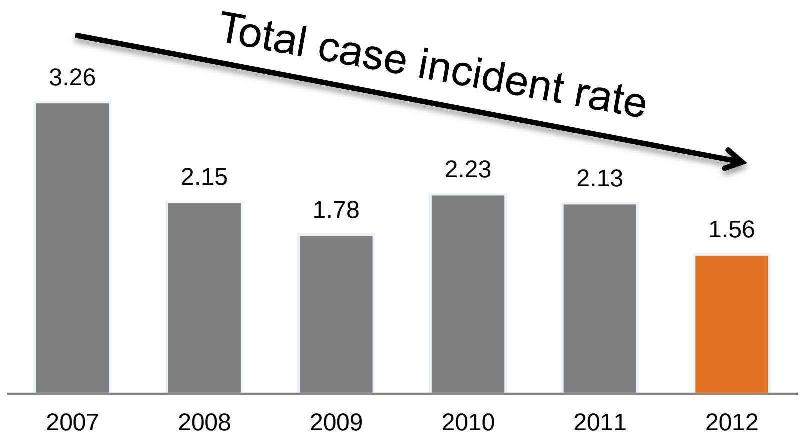
- Majors/intermediates generate over 80% of Drilling Services revenues
  - More stable exploration drilling budgets and sufficient capital to drill through the cycle
- Customers that have operations on nearly every continent rely on BLY to provide services across the globe

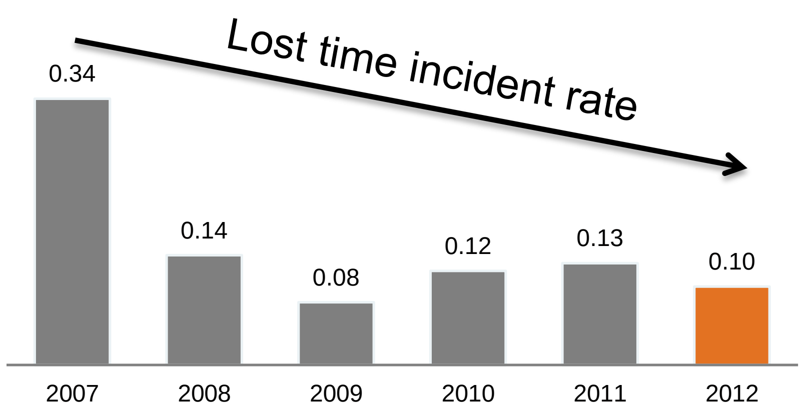
Revenue by Customer Type



Leading safety standards are a key factor in retaining and securing new contracts

Safety Performance[1]





[1]Per 200,000 man hours
Source: BLY Injuries & Fatalities Data

Safety	❖ Core Value ❖ Barrier to entry for smaller players
Compliance	❖ Member of World Economic Forum: Partnering Against Corruption Initiative (PACI) ❖ Resources dedicated to ensure we are doing things the right way
Customer	❖ Dedicated to our customers' success ❖ Key factor for winning and retaining contracts
People	❖ Value diversity ❖ Empowering the front lines and retaining our legacy of entrepreneurial spirit

Boart Longyear is delivering on a much lower cost basis

- $70 million cost reduction initiatives announced November 2012 will be fully reflected in FYE 31 December 2013 EBITDA
  - Reduced global overhead headcount by 20%: Over 500 heads
  - Relocated rig assembly operation from Perth to Poland
  - Consolidated Sonic Drilling Services into the rest of the Drilling Services
- Additional $90 million of cost reductions announced August 2013 will be implemented by FYE 31 December 2013 with roughly two-thirds realized in 2014 and the remaining one-third in 2015: Over 900 heads
  - Collapsed 23 operating zones for drilling services into 11 – each operating zone had its own support functions
  - Consolidated Drilling Services and Products maintenance groups
  - Consolidated Drilling Services and Products supply chain functions
  - Further cost reduction initiatives actively under review

Positioned to realise margin improvement even without an industry recovery

Commitment to a more financially disciplined Boart Longyear

- Operating margins from lagging to leading with a relentless focus on cost reductions and operational efficiencies
- Reduce inventory and release working capital --- $100M to $150M reduction over the next few years
  - Consolidate supply chain
  - Improve inventory management
- Increase capital returns through more disciplined capital management
- Limit near-term capital expenditures by leveraging significant 2010-2012 investments

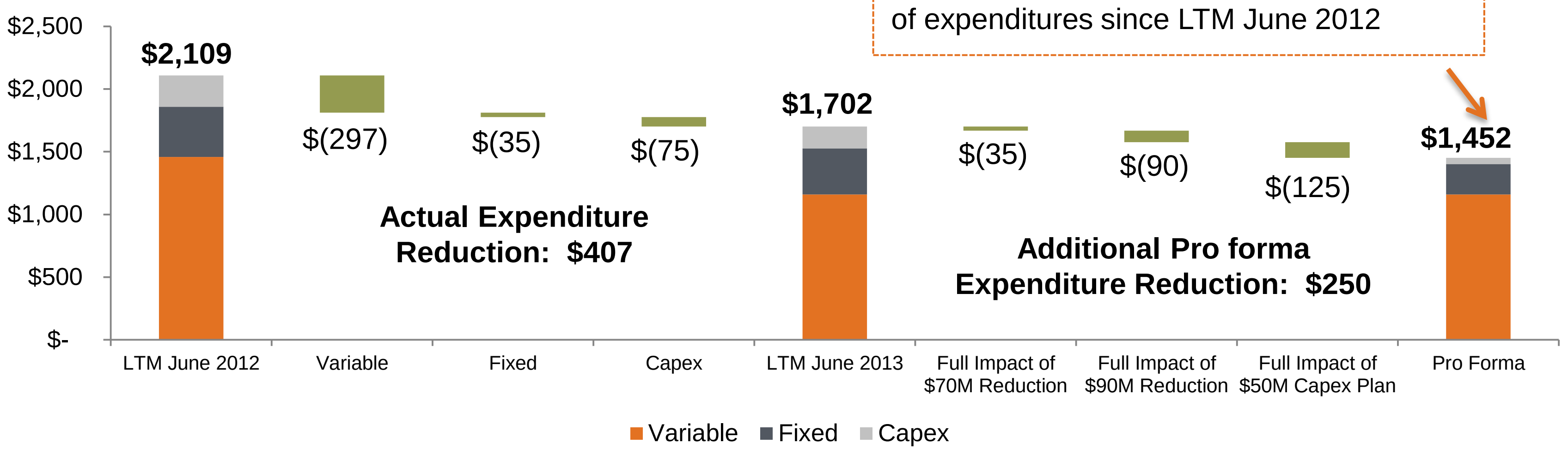
Fix the balance sheet by reducing costs and increasing operational efficiencies

Pro Forma Expenditure & Headcount Profiles

(US $M)

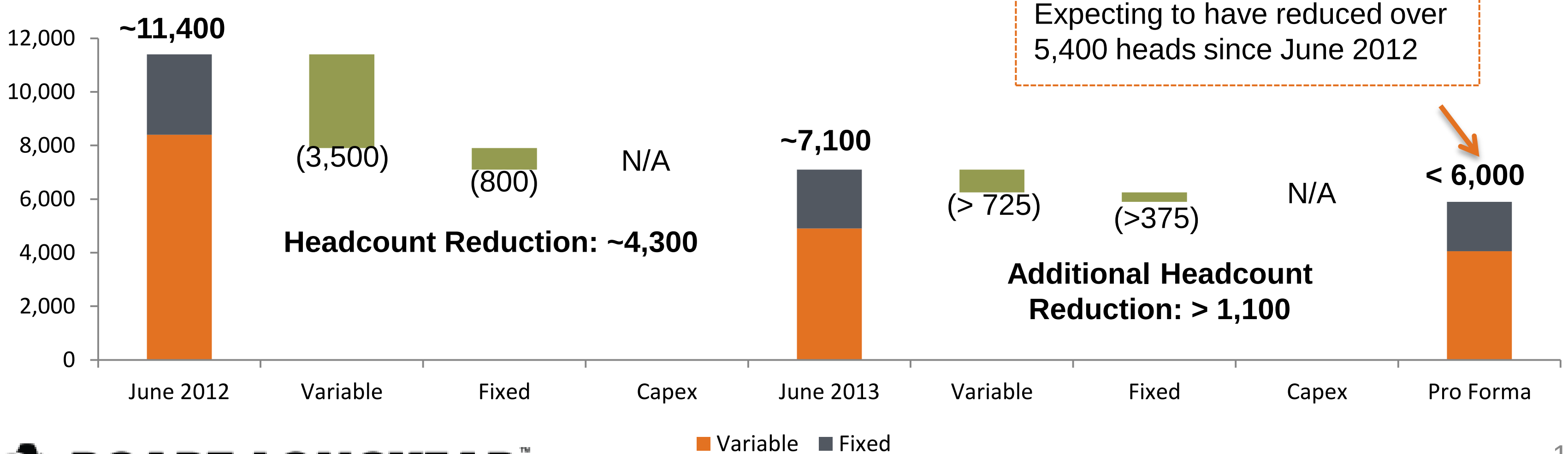
Expenditure Bridge

Expecting to have removed over $650mm of expenditures since LTM June 2012



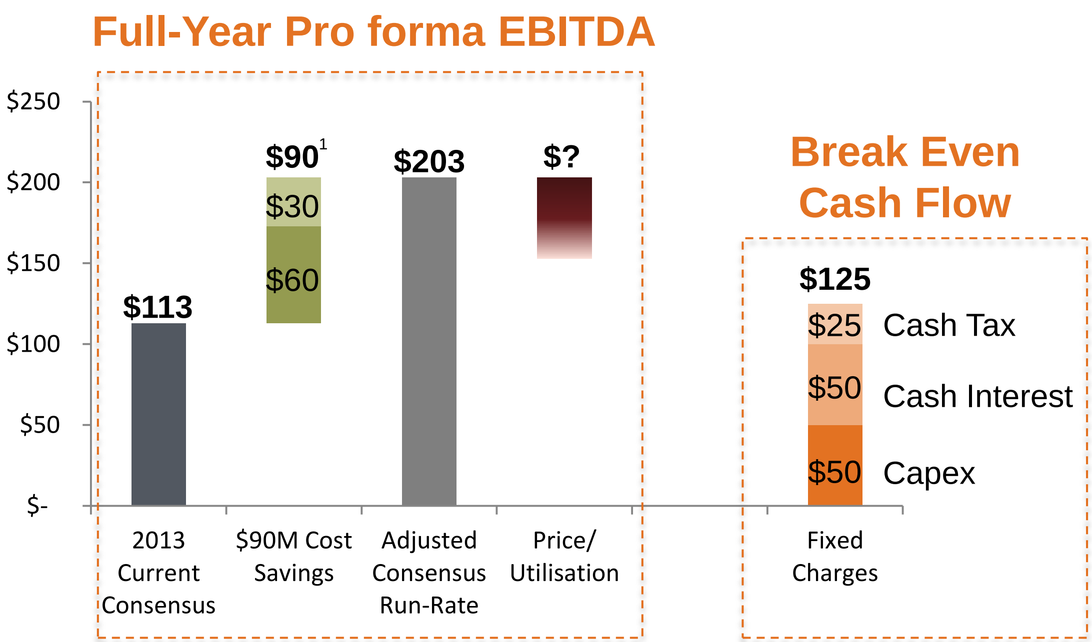
Headcount Bridge

Expecting to have reduced over 5,400 heads since June 2012



Pro Forma EBITDA Considerations

(US $M)



Run-Rate EBITDA Considerations:

- *Potential price and utilisation declines*
- *Cost savings impact:*
  - $70M reduction (2013)
  - $90M reduction (2014-2015)
- *One-time Inventory Obsolescence:*
  - 2H13 Estimate: ~$10 to $15M
- *Global Products Manufacturing:*
  - ~$20 to $25M of unabsorbed plant costs due to minimal mfg. levels

Executed cost savings will help to mitigate the unknown potential impact of price erosion

[1] The Company estimates that roughly two-thirds of this benefit will be realized in 2014

Boart Longyear will be better positioned to take advantage of all phases of mining cycles

Focus	Today	Commitment
Margins	Industry lagging	Industry leading
Capital spending	~$200 million per year average for 2010 - 2012	$50 million minimum ($75 million normalised)
Inventory	$570 million at peak ($411 million at 30 June 2013)	$300 million with increased turns
Net debt	2.9x LTM 30 June 2013 EBITDA	Target: Achieve < 1.0x trough EBITDA over time without raising additional equity
Cash taxes	Statutory rates	Benefit of net operating losses as the market improves

BLY's value proposition to our Customers

One Source

- Global Distribution
- Broad Services Network
- Comprehensive Drilling Solutions

Conducting Business Properly

- Global Compliance
- Environmental Sustainability

Global capabilities delivered locally

Productivity

- Innovative Products
- Experienced and Well-Trained Drillers
- Modernised Fleet

Safety

- World Class Performance (TCIR & LTIR)
- Global Management System