



HD **FED:Boart Longyear says recovery some time off**

WC 352 words

PD 17 December 2014

SN Australian Associated Press Financial News Wire

SC AAPFIN

LA English

CY (c) 2014 Australian Associated Press Pty Ltd. All Rights Reserved

LP

BOART By Kim Christian

MELBOURNE, Dec 17 AAP - Embattled Boart Longyear says a recovery in demand for its drilling services could be more than a year away, as it secured the final piece of a \$US342 **million** bailout plan.

TD

Investors overwhelmingly supported the final \$US84 **million equity** piece of Boart Longyear's massive private **equity** recapitalisation package at a special meeting on Wednesday.

"This provides the **company** with the capability to make it through what will continue to be a challenging market for 2015, maybe into 2016," chief executive Richard O'Brien told AAP.

The **company** may experience a further fall in the use of its drilling rigs as **gold** and **copper** exploration continues to dry up, he said.

"There's a possibility that we could, if we see **gold** prices fall significantly," Mr O'Brien said.

Boart Longyear has 60 per cent of its business in **gold** and **copper** exploration.

A global recovery could come as late as 2016, with **copper**, nickel and other infrastructure-related metals suffering amid reduced demand in **China**, Mr O'Brien said.

And he predicted a "gentle upslope" in recovery, rather than a v-shaped recovery.

"We don't need a v-shaped recovery, we just need a recovery," he said.

The world's biggest drilling services **company** expects to achieve \$US30 **million** in earnings in calendar 2014, below the range of \$US34 **million** to \$US48 **million** previously expected by analysts.

It has been hit hard by the sharp downturn in the **mining** services sector, leaving it struggling to cope with more than \$US500 **million** in debt.

Mr O'Brien said the completion of the recapitalisation plan from Centerbridge Partners would reduce net debt to \$US450 **million**.

The **company** plans to make its first debt repayment of \$US300 **million** in 2018, followed by a \$US120 **million** payment in 2020 and a \$US285 **million** payment in 2021.

The **company**'s shares were down one cent at 17 cents at 1345 AEDT, down from more than 30 cents a year ago and \$1.45 in December 2012.

AP krc/dmc

CO boaint : Boart Longyear Ltd

IN i1 : Energy | i13 : Crude Oil/Natural Gas | i1300005 : Support Activities for Oil/Gas

RE austr : Australia | apacz : Asia Pacific | ausnz : Australia/Oceania

PUB Australian Associated Press Pty Ltd

AN Document AAPFIN0020141217each000ul