

SE News
HD **Bailout on course but recovery faces delay**

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BOART Longyear has secured the final piece of a \$US342 **million** bailout plan and says recovery in demand for its drilling services could be more than a year away.

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

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

The **company** may experience a further fall in use of its drilling rigs if **gold** prices fall significantly, he said.

Boart Longyear has 60 per cent of its business in **gold** and **copper** exploration. A global recovery could come as late as 2016, amid reduced demand in **China**, Mr O'Brien said.

He forecast a "gentle upslope" in recovery.

"We don't need a V-shaped recovery, we just need a recovery," he said. The **company**, which has \$500 **million** in debt, expects to earn \$US30 **million** in calendar 2014, below the \$US34 **million**-**million**-\$US48 **million** forecast by analysts. Mr O'Brien said completion of the recapitalisation plan from Centerbridge Partners would reduce net debt to \$US450 **million**. The **company** plans to repay \$US300 **million** in 2018, then a \$US120 **million** tranche in 2020 and a \$US285 **million** tranche in 2021.

CO boaint : Boart Longyear Ltd

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