



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

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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.

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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 dropped two cents to 16 cents, down from more than 30 cents a year ago and \$1.45 in December 2012.

AP krc/dmc

CO boaint : Boart Longyear Ltd

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

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