

**HD     Boart Longyear Restructures Debt, Raises Equity****BY**     By Rhiannon Hoyle**WC**     499 words**PD**     23 October 2014**ET**     09:24**SN**     Dow Jones Institutional News**SC**     DJDN**LA**     English**CY**     Copyright © 2014, Dow Jones & Company, Inc.**LP**

SYDNEY--Boart Longyear Ltd. (BLY.AU), the world's largest supplier of drill rigs to the **mining** sector, signed a deal with its biggest shareholder to restructure debt and raise **equity**, a move executives hope will allow the **company** to ride out a downturn in global resources spending.

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On Thursday, the Australian-listed **company** announced an agreement with U.S. investment **firm** Centerbridge Partners LP to replace its covenant-laden bank debt with a new US\$120 **million** "covenant-lite" loan, which Boart said would decrease the risk of a default. Another loan of as much as US\$105 **million** will be available to fund a senior secured notes tender offer, it said.

Boart also expects to raise between US\$119 **million** and US\$127 **million** through a series of **equity** raisings, the **company** said in a filing to the Australian Securities Exchange.

Utah-based Boart has sought to raise capital or sell assets since February, when it appointed Goldman Sachs to carry out a strategic review in the wake of widening losses and high debts. The **company** had since negotiated with lenders to relax financial covenants and replace restrictive bank loans with long-dated high-yield notes.

"The recapitalization is an important step forward for Boart Longyear and its shareholders," Chief Executive Richard O'Brien said. "We anticipate the recapitalization will provide the **company** with significant liquidity to better weather the challenges of the current depressed markets for our drilling services and products and the financial strength to allow more time for those markets to recover."

Centerbridge now owns 20% of the drilling **company**. A one-time darling of the resource-rich Australian Securities Exchange, Boart rode the commodities boom as **mining** companies ventured deep into African jungles and arid regions such as Mongolia's Gobi desert in search of new deposits to feed Asia's demand.

However, Boart's share price has crashed from a 2007 high of more than A\$22.00 to close Wednesday at A\$0.15 following a sharp downturn in global **mining** investment.

Miners such as BHP Billiton Ltd. (BHP) and Rio Tinto PLC (RIO) tightened their purse strings amid a decline in the value of commodities such as **coal** and **gold** as **China**'s economy cooled and the U.S. looked to taper its bond-buying program. Budgets for exploration work were among the first, and deepest, cuts.

Only four out of every 10 drilling rigs owned by Boart are in use, as many resources companies opted to conserve cash rather than explore for new deposits of commodities such as **iron ore**, Boart said. The **company** Thursday reported earnings before interest, taxes, depreciation, and amortization of US\$12 **million** for the three months through September, compared to a US\$1 **million** loss in the same period a year earlier.

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**CO** boaint : Boart Longyear Ltd | cecplp : Centerbridge Capital Partners L.P.

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