

HD Boart says recovery still some time off

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Embattled drilling group says recovery over a year away, secures \$US342m bailout plan.

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** (\$419 **million**) bailout plan.

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Investors overwhelmingly supported the final \$US84m **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 \$US30m in earnings in calendar 2014, below the range of \$US34m to \$US48m 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 \$US500m in debt.

Mr O'Brien said the completion of the recapitalisation plan from Centerbridge Partners would reduce net debt to \$US450m.

The **company** plans to make its first debt repayment of \$US300m in 2018, followed by a \$US120m payment in 2020 and a \$US285m payment in 2021.

The **company**'s shares dropped two cents to 16 cents, down from more than 30c a year ago and \$1.45 in December 2012.

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