

Boart Longyear Updates Market

Boart Longyear (ASX: BLY) today hosted a global conference call to discuss the rapidly changing financial and commodity markets and their potential impact on Boart Longyear's financial performance. 2009 capital budgets for the Company's major mining customers remain uncertain, with many delaying their exploration spending decisions into next year. Notwithstanding this uncertainty, the Company outlined the actions it is taking in anticipation of softening demand in 2009 to adjust its cost base accordingly. The Company also outlined its financial position, confirmed its sound liquidity position and outlined its ability to generate substantial free cash flow and reduce debt in 2009, even in a softer market environment.

In light of the recent decline in the value of the Australian and Canadian dollars as well as lower revenues from the Company's Products division, the Company now expects 2008 revenues, as reported in U.S. dollars, to be approximately 18% higher than in 2007. This compares to earlier forecast revenue growth of approximately 22%. EBITDA margin, before expected restructuring charges, for 2008 is expected to be approximately 22%, unchanged from previous guidance.

Commenting on the call, Craig Kipp, President and Chief Operating Officer, indicated, "The financial performance of our Drilling Services business continues to be very solid, even with approximately 15% of our rigs now idle. However, our Products business has recently experienced a decline in orders for manufactured products, particularly in our capital equipment product line. This decline in orders is starting to flow through into lower revenues.

"As previously highlighted, given the ongoing global macroeconomic conditions, the Company expects that 2009 will present a challenging operating environment. As a result, the Company is taking action to implement announced cost reduction activities and other plans to reduce costs and working capital.

"To date, workforce reductions in Drilling Services and Products have resulted in the elimination of over 500 positions. Additional actions are expected to be announced by the end of the year, including further rationalization of the Company's manufacturing capacity as well as a significant re-alignment of business support and administrative functions. Restructuring charges associated with these actions are expected to be US\$10-20 million in 2008."

Mr. Kipp continued, "While the Company's financial position remains sound, our focus in 2009 will continue to be managing liquidity and re-positioning our balance sheet through debt reduction. Total liquidity, including availability under our revolving credit facility and cash balances, is expected to be approximately \$85 million at year end, which is more than adequate for the Company's anticipated needs in the future. As a result of lower capital spending, reduced acquisition activity and our ability to make a substantial reduction in net working capital, the Company expects to reduce its outstanding net debt by up to \$150 million in 2009, depending on market conditions. In addition, given the uncertain market conditions and the Company's debt reduction target, the Board of Directors intends to review the Company's existing dividend policy."

A replay of the conference call can be accessed via the following:

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U.S. Dial-In:
International Dial-In:
Participant Passcode:

(888) 286-8010
(617) 801-6888
70255343

In addition, the conference call may be accessed through the internet via the following:

<http://phx.corporateir.net/phoenix.zhtml?p=iroleventDetails&c=207760&eventID=2040822>

or

<http://www.boartlongyear.com/web/guest/investors>

About Boart Longyear

Boart Longyear is a 100-year-old global organization registered in Adelaide, Australia, and headquartered in Salt Lake City, Utah, with offices and operations in Asia Pacific, North and South America, Europe and Africa. The company is the leading provider of drilling services and drilling products for the global mining industry, and also has a substantial presence in drilling for other purposes, including water exploration, environmental and oil sands exploration.

With 2007 sales of over \$1.5 billion and nearly 10,000 employees worldwide, the company conducts contract drilling services in more than 40 countries and provides mining products to customers in over 100 countries.

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