

North American Energy Partners Inc.

Form 6-K

August 04, 2010

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16

under the Securities Exchange Act of 1934

For the month of August 2010

Commission File Number 001-33161

NORTH AMERICAN ENERGY PARTNERS INC.

Zone 3 Acheson Industrial Area

2-53016 Highway 60

Acheson, Alberta

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Canada T7X 5A7

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

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Documents Included as Part of this Report

1. Interim consolidated financial statements of North American Energy Partners Inc. for the three months ended June 30, 2010.
2. Management's Discussion and Analysis for the three months ended June 30, 2010.
3. Canadian Supplement to Management's Discussion and Analysis for the three months ended June 30, 2010.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

NORTH AMERICAN ENERGY PARTNERS INC.

By: /s/ David Blackley
Name: David Blackley
Title: Chief Financial Officer

Date: August 4, 2010

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NORTH AMERICAN ENERGY PARTNERS INC.

Interim Consolidated Financial Statements

For the three months ended June 30, 2010

(Expressed in thousands of Canadian Dollars)

(Unaudited)

Table of Contents**Interim Consolidated Balance Sheets**

(Expressed in thousands of Canadian Dollars)

	June 30, 2010 (Unaudited)	March 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	\$78,868	\$103,005
Accounts receivable, net (allowance for doubtful accounts of \$773, March 2010 \$1,691)	89,925	111,884
Unbilled revenue	90,284	84,702
Inventories (note 5)	10,385	5,659
Prepaid expenses and deposits	10,744	6,881
Deferred tax assets	2,843	3,481
	283,049	315,612
Prepaid expenses and deposits	3,573	4,005
Assets held for sale	838	838
Property, plant and equipment (note 6)	326,550	328,743
Intangible assets, net (accumulated amortization of \$5,179, March 2010 \$4,591)	7,652	7,669
Deferred financing costs (note 7)	8,539	6,725
Investment in and advances to unconsolidated joint venture (note 8)	3,215	2,917
Goodwill	25,111	25,111
Deferred tax assets	24,112	10,997
	\$682,639	\$702,617
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$71,847	\$66,876
Accrued liabilities	32,818	47,191
Billings in excess of costs incurred and estimated earnings on uncompleted contracts	3,067	1,614
Current portion of capital lease obligations	4,699	5,053
Current portion of derivative financial instruments (note 12(a))	2,550	22,054
Current portion of term facilities (note 9(a))	10,000	6,072
Deferred tax liabilities	21,527	16,781
	146,508	165,641
Deferred lease inducements	734	761
Long term accrued liabilities	15,317	14,943
Capital lease obligations	7,314	8,340
Term facilities (note 9(a))	65,946	22,374
8 ³ / ₄ % senior notes (note 9(b))		203,120
Series 1 debentures (note 9(c))	225,000	
Director deferred stock unit liability (note 15(d))	2,674	2,548
Restricted share unit liability (note 15(c))	1,333	1,030
Derivative financial instruments (note 12(a))	14,291	75,001
Asset retirement obligation	368	360

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Deferred tax liabilities	31,931	27,441
	511,416	521,559
Shareholders' equity:		
Common shares (authorized unlimited number of voting and non-voting common shares; issued and outstanding June 30, 2010 36,062,036 voting common shares (March 31, 2010 36,049,276 voting common shares) (note 10(a))		
	303,593	303,505
Additional paid-in capital (note 10(b))	7,825	7,439
Deficit	(140,195)	(129,886)
	171,223	181,058
	\$682,639	\$702,617

Contingencies (note 16)

Subsequent events (note 20)

United States and Canadian accounting policy differences (note 21)

See accompanying notes to unaudited interim consolidated financial statements.

2 **Financial Statements** North American Energy Partners Inc.

Table of Contents**Interim Consolidated Statements of Operations and Comprehensive (Loss) Income**

(Expressed in thousands of Canadian Dollars, except per share amounts)

(Unaudited)

	Three months ended June 30,	
	2010	2009
Revenue	\$183,594	\$146,519
Project costs	77,277	54,262
Equipment costs	65,003	46,044
Equipment operating lease expense	17,491	12,349
Depreciation	8,203	8,724
Gross profit	15,620	25,140
General and administrative costs	13,729	14,976
(Gain) loss on disposal of property, plant and equipment	(4)	41
Gain on disposal of assets held for sale		(317)
Amortization of intangible assets	588	493
Equity in loss (earnings) of unconsolidated joint venture (note 8)	243	(191)
Operating income before the undernoted	1,064	10,138
Interest expense, net (note 11)	7,729	6,552
Foreign exchange gain	(1,697)	(19,436)
Realized and unrealized loss on derivative financial instruments (note 12(a))	3,008	10,021
Loss on debt extinguishment (note 7 and 9(b))	4,346	
Other expense		533
(Loss) income before income taxes	(12,322)	12,468
Income taxes (benefit) (note 13(c)):		
Current	1,228	
Deferred	(3,241)	2,541
Net (loss) income and comprehensive (loss) income for the period	(10,309)	9,927
Net (loss) income per share basic (note 10(c))	\$(0.29)	\$0.28
Net (loss) income per share diluted (note 10(c))	\$(0.29)	\$0.27

See accompanying notes to unaudited interim consolidated financial statements.

Table of Contents**Interim Consolidated Statements of Changes in Shareholders' Equity**

(Expressed in thousands of Canadian Dollars)

	Common shares	Additional paid-in capital	Deficit	Total
Balance at March 31, 2008	\$301,894	\$4,351	\$(22,701)	\$283,544
Net loss			(135,404)	(135,404)
Stock-based compensation		1,888		1,888
Deferred performance share unit plan		61		61
Reclassification on exercise of stock options	834	(834)		
Issued upon exercise of stock options	703			703
Balance at March 31, 2009	\$303,431	\$5,466	\$(158,105)	\$150,792
Net income			28,219	28,219
Stock-based compensation		2,135		2,135
Deferred performance share unit plan		123		123
Reclassified to restricted share unit liability		(20)		(20)
Reclassification on exercise of stock options	21	(21)		
Cash settlement of stock options		(244)		(244)
Issued upon exercise of stock options	53			53
Balance at March 31, 2010	\$303,505	\$7,439	\$(129,886)	\$181,058
Net loss			(10,309)	(10,309)
Stock-based compensation		405		405
Deferred performance share unit plan		5		5
Reclassification on exercise of stock options	24	(24)		
Issued upon exercise of stock options	64			64
Balance at June 30, 2010	\$303,593	\$7,825	\$(140,195)	\$171,223

See accompanying notes to unaudited interim consolidated financial statements.

Table of Contents**Interim Consolidated Statements of Cash Flows**

(Expressed in thousands of Canadian Dollars)

(Unaudited)

	Three months ended	
	2010	June 30, 2009
Cash provided by (used in):		
Operating activities:		
Net (loss) income for the period	\$(10,309)	\$9,927
Items not affecting cash:		
Depreciation	8,203	8,724
Equity in loss (earnings) of unconsolidated joint venture	243	(191)
Amortization of intangible assets	588	493
Amortization of deferred lease inducements	(27)	(26)
Amortization of deferred financing costs	526	805
(Gain) loss on disposal of property, plant and equipment	(4)	41
Gain on disposal of assets held for sale		(317)
Unrealized foreign exchange gain on 8 3/4% senior notes	(732)	(19,540)
Unrealized loss on derivative financial instruments measured at fair value	3,008	6,685
Loss on debt extinguishment	4,346	
Stock-based compensation expense (note 15)	839	1,817
Accretion of asset retirement obligation	8	9
Deferred income taxes (benefit)	(3,241)	2,541
Net changes in non-cash working capital (note 13(b))	12,356	(18,690)
	15,804	(7,722)
Investing activities:		
Purchase of property, plant and equipment	(6,018)	(19,221)
Addition to intangible assets	(571)	(489)
Investment in and advances to unconsolidated joint venture (note 8)	(541)	(500)
Proceeds on disposal of property, plant and equipment	60	138
Proceeds on disposal of assets held for sale		960
Net changes in non-cash working capital (note 13(b))	(2,768)	(1,272)
	(9,838)	(20,384)
Financing activities:		
Repayment of term facilities	(2,500)	
Increase in term facilities	50,000	11,800
Financing costs (note 9(a) and 9(c))	(7,704)	(1,115)
Redemption of 8 3/4% senior notes (note 9(b))	(202,410)	
Issuance of series 1 debentures (note 9(c))	225,000	
Settlement of swap liabilities (note 12(a))	(91,125)	
Proceeds from stock options exercised	64	
Repayment of capital lease obligations	(1,428)	(1,470)

	(30,103)	9,215
Decrease in cash and cash equivalents	(24,137)	(18,891)