North American Energy Partners Inc.
Form 6-K
February 02, 2012

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 February 2012

Commission File Number 001-33161

NORTH AMERICAN ENERGY PARTNERS INC.

Zone 3 Acheson Industrial Area

2-53016 Highway 60

Acheson, Alberta

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 x

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): ¨

Documents Included as Part of this Report

1. Interim consolidated financial statements of North American Energy Partners Inc. for the three and nine months ended December 31, 2011.
2. Management s Discussion and Analysis for the three and nine months ended December 31, 2011.

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: February 2, 2012

NORTH AMERICAN ENERGY PARTNERS INC.

Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2011

(Expressed in thousands of Canadian Dollars)

(Unaudited)

Interim Consolidated Balance Sheets

(Expressed in thousands of Canadian Dollars)

(Unaudited)

	December 31, 2011	March 31, 2011
Assets		
Current assets		
Cash and cash equivalents	$1,797	$722
Accounts receivable, net (allowance for doubtful accounts of $210, March 31, 2011 $30)	145,706	128,482
Unbilled revenue (note 6)	141,521	102,939
Inventories	20,830	7,735
Prepaid expenses and deposits	9,119	8,269
Investment in and advances to unconsolidated joint venture (note 7)	1,324	1,488
Deferred tax assets	1,607	1,729
	321,904	**251,364**
Other assets	21,045	26,908
Property, plant and equipment, net (accumulated depreciation of $208,647, March 31, 2011 $183,357)	326,741	321,864
Goodwill (note 4)	32,901	32,901
Deferred tax assets	57,170	49,920
Total Assets	**$759,761**	**$682,957**
Liabilities and Shareholders Equity		
Current liabilities		
Accounts payable	$143,343	$86,053
Accrued liabilities	30,734	32,814
Billings in excess of costs incurred and estimated earnings on uncompleted contracts	12,811	2,004
Current portion of capital lease obligations	3,525	4,862
Current portion of term facilities (note 8(b))	10,000	10,000
Current portion of derivative financial instruments (note 11(a))	2,832	2,474
Deferred tax liabilities	30,586	27,612
	233,831	**165,819**
Capital lease obligations	1,488	3,831
Long term debt (note 8(a))	313,946	286,970
Derivative financial instruments (note 11(a))	7,736	9,054
Other long term obligations	11,040	25,576
Deferred tax liabilities	48,144	44,441
	616,185	**535,691**
Shareholders equity		
Common shares (authorized unlimited number of voting common shares; issued and outstanding December 31, 2011 36,249,086 (March 31, 2011 36,242,526) (note 9(a))	304,896	304,854
Additional paid-in capital	7,618	7,007
Deficit	(168,943)	(164,536)
Accumulated other comprehensive income (loss)	5	(59)
	143,576	**147,266**
Total liabilities and shareholders equity	**$759,761**	**$682,957**
Contingencies (note 15)		

See accompanying notes to interim consolidated financial statements.

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Interim Consolidated Statements of Operations and Comprehensive (Loss) Income

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

(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Revenue	**$284,630**	**$265,086**	**$724,039**	**$683,538**
Project costs	188,463	148,019	427,332	357,736
Equipment costs	49,607	58,819	159,107	170,180
Equipment operating lease expense	16,201	16,940	49,629	53,340
Depreciation	10,319	10,501	27,939	26,758
Gross profit	**20,040**	**30,807**	**60,032**	**75,524**
General and administrative expenses	15,136	16,509	39,738	45,515
Loss on disposal of property plant and equipment	273	847	701	1,428
Loss (gain) on disposal of assets held for sale	40	873	(456)	848
Amortization of intangible assets	1,174	992	4,463	2,252
Equity in loss of unconsolidated joint venture (note 7)	609	359	164	876
Operating income before the undernoted	**2,808**	**11,227**	**15,422**	**24,605**
Interest expense, net (note 10)	7,599	7,193	22,524	22,630
Foreign exchange loss (gain)	134	(42)	70	(1,690)
Realized and unrealized gain on derivative financial instruments (note 11(b))	(2,392)	(2,040)	(960)	(340)
Loss on debt extinguishment				4,346
(Loss) income before income taxes	**(2,533)**	**6,116**	**(6,212)**	**(341)**
Income tax (benefit) expense (note 12(c)):				
Current	168	(51)	(1,476)	4,436
Deferred	(811)	2,425	(451)	(579)
Net (loss) income	**(1,890)**	**3,742**	**(4,285)**	**(4,198)**
Other comprehensive (loss) income				
Unrealized foreign currency translation (loss) gain	(32)	(20)	64	(20)
Comprehensive (loss) income	**(1,922)**	**3,722**	**(4,221)**	**(4,218)**
Net (loss) income per share basic (note 9(b))	**$(0.05)**	**$0.10**	**$(0.12)**	**$(0.12)**
Net (loss) income per share diluted (note 9(b))	**$(0.05)**	**$0.10**	**$(0.12)**	**$(0.12)**

See accompanying notes to interim consolidated financial statements.

Interim Consolidated Statements of Changes in Shareholders Equity

(Expressed in thousands of Canadian Dollars)

(Unaudited)

	Common shares	Additional paid-in capital	Deficit	Accumulated other comprehensive (loss) income	Total
Balance at March 31, 2010	**$303,505**	**$7,439**	**$(129,886)**	**$**	**$181,058**
Net loss			(4,198)		(4,198)
Unrealized foreign currency translation gain				(20)	(20)
Share option plan		1,066			1,066
Deferred performance share unit plan		(57)			(57)
Stock award plan		653			653
Excercised stock options	882	(245)			637
Senior executive stock option plan		(2,237)			(2,237)
Balance at December 31, 2010	**$304,387**	**$6,619**	**$(134,084)**	**$(20)**	**$176,902**
Balance at March 31, 2011	**$304,854**	**$7,007**	**$(164,536)**	**$(59)**	**$147,266**
Net loss			(4,285)		(4,285)
Unrealized foreign currency translation gain				64	64
Share option plan		1,031			1,031
Reclassified to restricted share unit liability		(121)			(121)
Stock award plan		223			223
Excercised stock options	42	(14)			28
Repurchase of shares to settle stock award plan		(700)	(122)		(822)
Senior executive stock option plan		192			192
Balance at December 31, 2011	**$304,896**	**$7,618**	**$(168,943)**	**$5**	**$143,576**

See accompanying notes to interim consolidated financial statements.

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Interim Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian Dollars)

(Unaudited)

	Three months ended December 31,		Nine months ended December 31,	
Cash provided by (used in):	2011	2010	2011	2010
Operating activities:				
Net (loss) income for the period	$(1,890)	$3,742	$(4,285)	$(4,198)
Items not affecting cash:				
Depreciation	10,319	10,501	27,939	26,758
Equity in loss of unconsolidated joint venture (note 7)	609	359	164	876
Amortization of intangible assets	1,174	992	4,463	2,252
Amortization of deferred lease inducements	(26)	(26)	(80)	(80)
Amortization of deferred financing costs (note 10)	386	360	1,198	1,243
Loss on disposal of property plant and equipment	273	847	701	1,428
Loss (gain) on disposal of assets held for sale	40	873	(456)	848
Realized and unrealized foreign exchange gain on 8 $^{3}/4$% senior notes				(732)
Realized and unrealized gain on derivative financial instruments (note 11(b))	(2,392)	(2,040)	(960)	(340)
Loss on debt extinguishment				4,346
Stock-based compensation expense (note 14(a))	1,622	4,451	(1,584)	7,377
Cash settlement of restricted share unit plan (note 14(e))			(318)	
Settlement of stock award plan (note 14(g))	(382)		(822)	
Accretion of asset retirement obligation	10	9	29	26
Deferred income tax (benefit) expense	(811)	2,425	(451)	(579)
Net changes in non-cash working capital (note 12(b))	24,736	(49,113)	(15,839)	(53,253)
	33,668	**(26,620)**	**9,699**	**(14,028)**
Investing activities:				
Acquisition (note 5)		(20,820)		(20,820)
Purchase of property, plant and equipment	(15,682)	(4,695)	(30,277)	(27,195)
Additions to intangible assets	(703)	(731)	(2,286)	(2,755)
Investment in and advances to unconsolidated joint venture (note 7)				(1,291)
Proceeds on disposal of property, plant and equipment	50	360	128	420
Proceeds on disposal of assets held for sale	360	445	910	745
	(15,975)	**(25,441)**	**(31,525)**	**(50,896)**
Financing activities:				
Repayment of credit facilities	(49,529)	(2,500)	(106,024)	(7,500)
Increase in credit facilities	35,000		133,000	50,000
Financing costs			(60)	(7,920)
Redemption of 8 $^{3}/4$% senior notes				(202,410)
Issuance of Series 1 Debentures				225,000
Settlement of swap liabilities				(91,125)
Proceeds from stock options exercised (note 14(b))		332	28	637
Repayment of capital lease obligations	(1,883)	(1,176)	(4,107)	(3,988)
	(16,412)	**(3,344)**	**22,837**	**(37,306)**
Increase (decrease) in cash and cash equivalents	**1,281**	**(55,405)**	**1,011**	**(102,230)**
Effect of exchange rate on changes in cash and cash equivalents	(32)	(27)	64	(27)
Cash and cash equivalents, beginning of period	548	56,180	722	103,005
Cash and cash equivalents, end of period	**$1,797**	**$748**	**$1,797**	**$748**

Supplemental cash flow information (note 12(a))

See accompanying notes to interim consolidated financial statements.

Notes to Interim Consolidated Financial Statements

For the three and nine months ended December 31, 2011

(Expressed in thousands of Canadian Dollars, except per share amounts or unless otherwise specified)

1. Nature of operations

North American Energy Partners Inc. (the Company), formerly NACG Holdings Inc., was incorporated under the Canada Business Corporations Act on October 17, 2003. On November 26, 2003, the Company purchased all the issued and outstanding shares of North American Construction Group Inc. (NACGI), including subsidiaries of NACGI, from Norama Ltd. which had been operating continuously in Western Canada since 1953. The Company had no operations prior to November 26, 2003. The Company undertakes several types of projects including mining and environmental services, heavy construction, industrial and commercial site development and pipeline and piling installations. The Company also designs and manufactures screw piles, provides tank maintenance services to the petro-chemical industry across Canada and the United States and sells pipeline anchoring systems globally.

2. Basis of presentation

These unaudited interim consolidated financial statements are prepared in accordance with US GAAP for interim financial statements and do not include all of the disclosures normally contained in the Company s annual consolidated financial statements and as such these interim consolidated financial statements should be read in conjunction with the most recent annual financial statements. Material inter-company transactions and balances are eliminated upon consolidation.

3. Recent accounting pronouncements

a) Accounting pronouncements recently adopted

There have been no recently adopted accounting pronouncements or changes in accounting pronouncements during the three and nine months ended December 31, 2011, as compared to the recent accounting pronouncements described in the Company s Annual Report on Form 40-F, that are of significance, or of potential significance to the Company.

b) Issued accounting pronouncements not yet adopted

i) Fair value measurement

In May 2011, the FASB issued ASU 2011-04, Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in US GAAP and IFRS , which generally represent clarifications of Topic 820, but also include some instances where a particular principle or requirement for measuring fair value or disclosing information about fair value measurements has changed. This ASU results in common principles and requirements for measuring fair value and for disclosing information about fair value measurements in accordance with US GAAP and IFRSs. For the Company, this ASU is effective for the interim period beginning April 1, 2012. The adoption of this standard is not anticipated to have a material effect on the Company s consolidated financial statements.

ii) Goodwill Impairment

In September 2011, the FASB amended the guidance on the annual testing of goodwill for impairment. The amended guidance will allow companies to assess qualitative factors to determine if it is more likely than not that goodwill might be impaired and whether it is necessary to perform the two-step goodwill impairment test required under current accounting standards. This guidance will be effective for the Company s fiscal year ending March 31, 2013, with early adoption permitted. The Company has determined that this new guidance will not have a material impact on its consolidated financial statements.

4. Goodwill

In accordance with the Company s accounting policy, a goodwill impairment test is completed October 1 of each fiscal year or whenever events or changes in circumstances indicate that impairment may exist. The Company conducted its annual goodwill impairment test on October 1, 2011 and concluded there was no impairment as the fair value of the Piling reporting segment exceeded its carrying value. There were no triggering events between October 1, 2011 and December 31, 2011.

5. Acquisition

On November 1, 2010, the Company acquired all of the assets of Cyntech Corporation and its wholly-owned subsidiary Cyntech Anchor Systems LLC (collectively Cyntech), for a consideration of $23,501 of which $20,820 was paid out during

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the three months ended December 31, 2010. The difference of $2,681 was settled in March 2011 at finalization of the purchase price.

6. Unbilled revenue

As of December 31, 2011, an amount of $73,483 (March 31, 2011 $72,025) is recognized within unbilled revenue relating to a single long-term customer contract, whereby the normal operating cycle for this project is greater than one year. As described in note 2(b) of the annual consolidated financial statements of the Company for the year ended March 31, 2011, the estimated balances within unbilled revenue are subject to uncertainty concerning ultimate realization.

7. Investment in and advances to unconsolidated joint venture

The Company was engaged in a joint venture, Noramac Joint Venture (JV), of which the Company had joint control (50% proportionate interest). The JV was formed for the purpose of expanding the Company s market opportunities and establishing strategic alliances in Northern Alberta. The Company owned a 49% interest in Noramac Ventures Inc., a nominee company established by the two joint venture partners. On March 25, 2011, the Company and its joint venture partner decided to wind up Noramac Ventures Inc. and terminate the joint venture. At December 31, 2011, the assets and liabilities of the joint venture are stated at the lower of carrying value and fair market value less costs to sell. The difference between carrying value and fair market value of assets and liabilities was recognized in the income statement of the joint venture during the three and nine months ended December 31, 2011.

As of December 31, 2011, the Company s investment in and advances to the unconsolidated joint venture totalled $1,324 (March 31, 2011 $1,488). The condensed financial data for investment in and advances to unconsolidated joint venture is summarized as follows:

	December 31, 2011	March 31, 2011
Current assets	$6,056	$8,328
Current liabilities	10,720	13,875

	Three months ended December 31,		Nine months ended December 31,	
	2011	2010	2011	2010
Gross revenues	$26	$2,019	$1,919	$8,017
Gross profit	26	33	1,919	835
Net loss	(1,218)	(718)	(328)	(1,751)
Equity in loss of consolidated joint venture	($609)	($359)	($164)	($876)

8. Long term debt

a) Long term debt is as follows:

	December 31, 2011	March 31, 2011
Credit facilities (note 8(b))	$88,946	$61,970
Series 1 Debentures (note 8(c))	225,000	225,000
	$313,946	$286,970

b) Credit Facilities

	December 31, 2011	March 31, 2011
Term A Facility	$21,887	$24,698