

North American Energy Partners Inc.
Form 20-F/A
July 26, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1

to

Form 20-F

.. REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934

or

x ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED

MARCH 31, 2007

or

.. TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

or

.. SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 001-33161

North American Energy Partners Inc.

(Exact Name of the Registrant as Specified in its Charter)

Canada

(Jurisdiction of Incorporation or Organization)

Zone 3, Acheson Industrial Area, 2-53016 Hwy 60, Acheson, Alberta T7X 5A7

(Address of Principal Executive Offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Name of Exchange on which Registered

Title

New York Stock Exchange

Common Shares, No Par Value

Toronto Stock Exchange

Securities registered or to be registered pursuant to

NONE

Section 12(g) of the Act:

Securities for which there is a reporting obligation pursuant to

NONE

Section 15(d) of the Act:

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 35,604,660 Common Shares at March 31, 2007

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. YES NO

Indicate by check mark whether the Company: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark which financial statement item the Company has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES NO

EXPLANATORY NOTE

This Amendment No. 1 to our Annual Report on Form 20-F for the fiscal year ended March 31, 2007, filed with the U.S. Securities and Exchange Commission (the "SEC") on June 20, 2007 (the "Original Report"), is being filed for the purpose of making a change in the Original Report pursuant to comments received from the Staff of the SEC with respect to the disclosure contained in Item 15 "Controls and Procedures." The disclosure in Item 15 "Controls and Procedures" has been revised in accordance with such comments.

This Amendment No. 1 also makes changes to the Summary Compensation Table included in Item 6 "Directors, Senior Management and Employees" in the Original Report to correct the salary amounts reported for our President and Chief Executive Officer and our Vice President, Finance and Chief Financial Officer and to report the fiscal 2007 bonus amounts, which were approved after the filing of the Original Report.

We are including in this amendment currently-dated certifications by our Principal Executive Officer and our Principal Financial Officer.

Other than the foregoing items, no part of the Original Report is being amended. Accordingly, this Amendment No. 1 does not include any unchanged portions of the Original Report, does not reflect events occurring after the filing of our Original Report and should not be understood to mean that any other statements contained herein are accurate as of any date subsequent to June 20, 2007.

Summary Compensation Table

Name and Principal Position	Fiscal Year	Annual Compensation			Other Annual Compensation	Long-Term Compensation Securities Underlying Options (a)
		Salary	Bonus			
Rodney J. Ruston	2007	\$ 525,000	\$ 386,615		(c)	
President and Chief Executive Officer	2006	536,539	300,000		(c)	550,000
(Hired May 2005)	2005					
Douglas A. Wilkes	2007	\$ 135,417	\$ 142,361		(c)	100,000
Vice President Finance and Chief Financial Officer	2006					
(Hired September 2006)	2005					
William M. Koehn	2007	\$ 249,000	\$ 92,577		(c)	
Vice President, Operations and	2006	240,000	241,385(b)		(c)	
Chief Operating Officer	2005	224,000			(c)	
Miles W. Safranovich	2007	\$ 218,000	\$ 164,355		(c)	
Vice President, Business Development & Estimating	2006	195,808	210,384(b)		(c)	40,000
(Hired November 2004)	2005	61,385			(c)	60,000
Christopher J. Hayman	2007	\$ 207,100	\$ 150,313		(c)	
Vice President, Finance	2006	183,641	186,910(b)		(c)	40,000
(Hired January 2005)	2005	56,250			(c)	60,000

(a) Consists of options to purchase our common shares. The options granted to Mr. Ruston expire on May 8, 2015. The options granted in fiscal 2007 to Mr. Wilkes expire on September 18, 2016. The options granted to Mr. Koehn expire on November 26, 2013. The options granted in fiscal 2005 and 2006 to Mr. Safranovich expire on November 17, 2004 and November 2, 2015, respectively. The options granted in fiscal 2005 and 2006 to Mr. Hayman expire on February 17, 2015 and November 2, 2015, respectively.

(b) Bonus pursuant to our Annual Incentive Plan.

(c) The amount of other annual compensation does not exceed the lesser of \$50,000 and 10% of the salary and bonus for the fiscal year.

ITEM 15: CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures

Under the supervision and with the participation of management, including our President and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2007, as defined in Canada by Multilateral Instrument 52-109,

Certification of Disclosure in Issuer's Annual and Interim Filings and in the United States by Rule 13(a)-15(e) under the Securities Exchange Act of 1934, as amended, as of March 31, 2007. Based on this evaluation, and taking into account the compensating review procedures described below, our President and Chief Financial Officer concluded that the design and operation of our disclosure controls and procedures were effective.

Internal Control over Financial Reporting (ICFR)

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and of the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Management is responsible for establishing and maintaining adequate internal controls appropriate to the nature and size of the business to provide reasonable, but not absolute, assurance regarding the reliability of financial reporting for the Company.

In the course of preparing our 2007 financial statements, we identified a number of material weaknesses in our ICFR. A control deficiency is a material weakness in ICFR if the deficiency, or a combination of control deficiencies is such that there is a reasonable possibility that a material misstatement of the Company's annual or interim consolidated financial statements will not be prevented or detected.

We noted the following material weaknesses in ICFR as at March 31, 2007:

Revenue recognition a formal process to track claims and unapproved change orders and sufficient monitoring controls over the completeness and accuracy of forecasts, including the consideration within project changes subsequent to the end of each reporting period were not effectively implemented. The accounts that could potentially be affected by these deficiencies are revenue, project costs and their related accounts.

Income taxes there was a lack of review and monitoring controls as well as a lack of segregation of duties of the income tax function. The accounts that could potentially be affected by these deficiencies are future income tax assets, future income tax liabilities and future income tax expense.

Accounts payable and procurement The Company did not have an effectively implemented procurement process to track purchase commitments, reconcile vendor accounts and accurately accrue costs not invoiced by vendors at each reporting date. The accounts that could potentially be affected by these deficiencies are accounts payable, accrued liabilities, project costs, unbilled revenue, equipments costs, general and administrative costs and other expenses.

IT General Controls (ITGCs) a number of deficiencies in ITGCs existed, including appropriate controls around spreadsheets and end user computing, controls over access and accuracy of one of our systems, as well as general maintenance of access rights and nominal program change controls. When aggregated, these deficiencies represented a material weakness in ICFR.

In anticipation of providing an annual report on ICFR by March 31, 2008, management is currently evaluating the effectiveness of our system of internal control over financial reporting based on the framework in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Changes in Internal Control over Financial Reporting

We are currently addressing these deficiencies through the implementation of the requirements of Section 404 of the Sarbanes-Oxley Act of 2002 in the United States and Multilateral Instrument 52-109 in Canada. We are in the remediation phase of a procurement project in which we implemented the purchase order functionality in our financial systems and trained our staff in the effective use of purchase orders to track our commitments and to record our expenses in a timely manner. We are implementing and testing a project controls improvement initiative over the claims and unapproved change orders process, as well as the completeness and accuracy of project forecasts. We are also in the final stages of upgrading our enterprise resource management software, which includes addressing the ITGC deficiencies noted above.

We have added to our finance staff, and in particular we now have in-house Canadian GAAP expertise and a working knowledge of U.S. GAAP, which is supplemented by outside expertise. We have created a Corporate Controller position and added a Corporate Accounting Manager and Tax Manager. In addition, we have instituted standardized procedures for financial reporting and review, including the procedures by which general ledger transactions are closed, reviewed and consolidated. The redesign of and implementation of all planned changes to our disclosure controls and procedures are not yet complete. Until the implementation of such corrective measures is complete, we are compensating for the identified weaknesses in ICFR by performing additional review procedures.

Our target is to complete the above changes by March 31, 2008, the date as of which we will be required to provide management's report on the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002. Because most of the costs of implementing the above changes to internal control over financial reporting have been incurred in anticipation of providing such report or due to required systems upgrades, we have not incurred material costs in connection with implementing corrective actions to correct identified internal control deficiencies.

As discussed above, there were changes in our ICFR since March 31, 2006 that have materially affected, or are reasonably likely to affect, our ICFR.

SIGNATURE

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

NORTH AMERICAN ENERGY PARTNERS INC.

Date: July 25, 2007

By: /s/ DOUGLAS A. WILKES
Name: **Douglas A. Wilkes**
Title: **Vice President, Finance & Chief Financial Officer**