North American Energy Partners Inc.
Form 6-K
August 16, 2010

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

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. Notice of Annual Meeting and Management Information Circular.

2. Form of Proxy.

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 17, 2010

NORTH AMERICAN ENERGY PARTNERS INC.

NOTICE OF ANNUAL MEETING

AND MANAGEMENT INFORMATION CIRCULAR

ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD ON

SEPTEMBER 23, 2010

August 17, 2010

NORTH AMERICAN ENERGY PARTNERS INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS TO BE HELD

ON SEPTEMBER 23, 2010

NOTICE IS HEREBY GIVEN that the annual meeting of holders of common shares (the NAEP Shareholders) of North American Energy Partners Inc. (the Corporation) will be held at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, ON, M5X 1J2, on the 23rd day of September, 2010, at 10:00 a.m. (Eastern Time) (the Meeting), for the following purposes:

1. to receive the financial statements of the Corporation for the year ended March 31, 2010 and the auditors report thereon;

2. to elect the directors of the Corporation for the ensuing year;

3. to re-appoint the auditors of the Corporation for the ensuing year and to authorize the directors to fix the remuneration of the auditors as such; and

4. to transact such other business as may properly come before the Meeting or any adjournments thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the management information circular (the Information Circular). Capitalized terms used in this notice of annual meeting and not otherwise defined herein shall have the meanings ascribed to such terms in the Information Circular.

A copy of the 2010 Annual Report of the Corporation, the Information Circular and a form of proxy accompany this notice.

NAEP Shareholders who are unable to attend the Meeting are requested to complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the form of proxy and in the Information Circular accompanying this notice. A proxy will not be valid unless it is deposited with CIBC Mellon Trust Company at Proxy Dept., CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario, M1S 0A1, (facsimile no. (416) 368-2502 or toll free in North America only at no. 1-866-781-3111) no later than 10:00 a.m. (Eastern Time), on September 21, 2010 and if the Meeting is adjourned, no later than 24 hours (excluding Saturdays and holidays) prior to the commencement of any adjournment thereof.

DATED at Calgary, Alberta, this 17th day of August, 2010.

BY ORDER OF THE BOARD OF DIRECTORS OF NORTH AMERICAN ENERGY PARTNERS INC.

/s/ David Blackley
Chief Financial Officer

NORTH AMERICAN ENERGY PARTNERS INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the Information Circular) and accompanying form of proxy (the Proxy) are furnished in connection with the solicitation of proxies by or on behalf of management of North American Energy Partners Inc. (the Corporation or NAEP) for use at the annual meeting (the Meeting) of holders of common shares of the Corporation (the NAEP Shareholders) to be held at the TMX Broadcast Centre, The Exchange Tower, 130 King Street West, Toronto, ON, M5X 1J2, on the 23rd day of September, 2010, at 10:00 a.m. (Eastern Time), and at any adjournments thereof, for the purposes set forth in the accompanying notice of meeting, dated August 17, 2010 (the Notice of Meeting).

It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally by officers of the Corporation at nominal cost. The cost of this solicitation will be borne by the Corporation. The Corporation may pay the reasonable costs incurred by persons who are the registered but not beneficial owners of voting shares of the Corporation (such as brokers, dealers, other registrants under applicable securities laws, nominees and/or custodians) in sending or delivering copies of this Information Circular, the Notice of Meeting and Proxy to the beneficial owners of such shares. The Corporation will provide, without cost to such persons, upon request to the Secretary of the Corporation, additional copies of the foregoing documents required for this purpose. The Notice of Meeting, Proxy and this Information Circular will be mailed to NAEP Shareholders commencing on or about August 18, 2010. In this Information Circular, except where otherwise indicated, all dollar amounts are expressed in Canadian currency.

No person has been authorized by the Corporation to give any information or make any representations in connection with the matters contained herein other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Corporation.

This Information Circular does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful.

STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Information Circular may contain forward-looking information that is based on expectations and estimates as of the date of this Information Circular. Our forward-looking information is information that is subject to known and unknown risks and other factors that may cause future actions, conditions or events to differ materially from the anticipated actions, conditions or events expressed or implied by such forward-looking information. Forward-looking information is information that does not relate strictly to historical or current facts, and can be identified by the use of the future tense or other forward-looking words such as plan , estimate , should , may , could , would , target , objective , fore position or the negative of those terms or other variations of them or comparable terminology.

While we anticipate that subsequent events and developments may cause our views to change, we do not have an intention to update any forward-looking information, except as required by applicable securities laws. **There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those expected or estimated in such statements. Accordingly, readers should not place undue reliance on forward-looking information.** See risk factors highlighted in materials filed with the securities regulatory authorities in the United States and Canada, including, but not limited to, our most recent annual and interim management s discussion and analysis.

RECORD DATE

The record date (the Record Date) for determining which NAEP Shareholders shall be entitled to receive notice of and to vote at the Meeting is August 3, 2010. Only NAEP Shareholders of record as of the Record Date are entitled to receive notice of and to vote at the Meeting, unless after the Record Date such shareholder of record transfers its shares and the transferee (the Transferee), upon establishing that the Transferee owns such shares, requests in writing at least 10 days prior to the Meeting or any adjournments thereof that the Transferee may have his or her name included on the list of NAEP Shareholders entitled to vote at the Meeting, in which case the Transferee is entitled to vote such shares at the Meeting. Such written request by the Transferee shall be filed with CIBC Mellon Trust Company at Proxy Dept., CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1, together with a copy to the Secretary of the Corporation at North American Energy Partners Inc., Suite 2400, 500 4th Avenue SW, Calgary, Alberta, T2P 2V6.

Under normal conditions, confidentiality of voting is maintained by virtue of the fact that the Corporation s transfer agent tabulates proxies and votes. However, such confidentiality may be lost as to any proxy or ballot if a question arises as to its validity or revocation or any other like matter. Loss of confidentiality may also occur if the Board of Directors decides that disclosure is in the interest of the Corporation or its shareholders.

APPOINTMENT OF PROXYHOLDERS

The persons named in the accompanying Proxy as proxyholders are representatives of management of NAEP. **Every NAEP Shareholder has the right to appoint a person or company to represent them at the Meeting other than the persons named in the accompanying Proxy. A NAEP Shareholder desiring to appoint some other person (who need not be a shareholder of NAEP) to represent him or her at the Meeting, may do so either by striking out the printed names and inserting the desired person s name in the blank space provided in the Proxy or by completing another proper proxy and, in either case, delivering the completed proxy to CIBC Mellon Trust Company at Proxy Dept., CIBC Mellon Trust Company, P.O. Box 721, Agincourt, Ontario M1S 0A1 (facsimile no. (416) 368-2502 or toll free in North America only at 1-866-781-3111) no later than 10:00 a.m. (Eastern Time) on September 21, 2010 and if the Meeting is adjourned, no later than 24 hours (excluding Saturdays and holidays) prior to the commencement of any adjournment thereof. A Proxy must be signed by a NAEP Shareholder or its attorney duly authorized in writing or, if a NAEP Shareholder is a corporation, by a duly authorized officer, attorney or other authorized signatory of the NAEP Shareholder. If a proxy is given by joint shareholders, it must be executed by all such joint shareholders.**

VOTING OF PROXIES

If a Proxy is completed, signed and delivered to the Corporation in the manner specified above, the persons named as proxyholders therein shall vote or withhold from voting the shares in respect of which they are appointed as proxyholders at the Meeting, in accordance with the instructions of the NAEP Shareholder appointing them, on any show of hands or any ballot that may be called for and, if the NAEP Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the persons appointed as proxyholders shall vote in accordance with the specification so made. **In the absence of such specification, or if the specification is not certain, the shares represented by such Proxy will be voted in favour of the matters to be acted upon as specified in the Notice of Meeting.**

A Proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and all other matters which may properly come before the Meeting or any adjournments thereof. As of the date of this Information Circular, the Board of Directors of the Corporation knows of no such amendments, variations or other matters to come before the Meeting, other than matters referred to in the Notice of Meeting. However, if amendments, variations or other matters should properly come before the Meeting, the Proxy will be voted on such amendments, variations and other matters in accordance with the best judgment of the person or persons voting such Proxy.

REVOCABILITY OF PROXY

Any NAEP Shareholder returning an enclosed Proxy may revoke the same at any time insofar as it has not been exercised. In addition to revocation in any other manner permitted by law, a Proxy may be revoked by instrument in writing executed by the NAEP Shareholder or by his or her attorney authorized in writing or, if the NAEP Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited at the registered office of the Corporation to the attention of Kevin Rowand, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or with the chairperson of the Meeting, prior to the commencement of the Meeting. A NAEP Shareholder attending the Meeting has the right to vote in person and, if he or she does so, his or her proxy is nullified with respect to the matters such person votes upon and any subsequent matters thereafter to be voted upon at the Meeting or any adjournment thereof.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many NAEP Shareholders, as a substantial number of NAEP Shareholders do not hold common shares of the Corporation (NAEP Common Shares) in their own name, and thus are considered non-registered shareholders. NAEP Shareholders who do not hold their NAEP Common Shares in their own name (Beneficial Shareholders) should note that only Proxies deposited by NAEP Shareholders whose names appear on the records of the Corporation as the registered holders of NAEP Common Shares can be recognized and acted upon at the Meeting. If NAEP Common Shares are listed in an account statement provided to a NAEP Shareholder by a broker, then, in almost all cases, those NAEP Common Shares will not be registered in the NAEP Shareholder s name on the records of the Corporation. Such NAEP Common Shares will more likely be registered under the name of the NAEP Shareholder s broker or an agent of that broker or another similar entity (called an Intermediary). NAEP Common Shares held by an Intermediary can only be voted by the Intermediary (for, withheld or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting NAEP Common Shares.

Beneficial Shareholders should ensure that instructions respecting the voting of their NAEP Common Shares are communicated in a timely manner and in accordance with the instructions provided by their Intermediary. Applicable regulatory rules require Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders meetings. **Every Intermediary has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their NAEP Common Shares are voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting NAEP Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend at the Meeting as proxyholder for the Intermediary and vote the NAEP Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their NAEP Common Shares as a proxyholder, should enter their own names in the blank space on the form of proxy provided to them by their Intermediary and timely return the same to their Intermediary in accordance with the instructions provided by their Intermediary, well in advance of the Meeting.**

NOTICE TO UNITED STATES SHAREHOLDERS

The solicitation of proxies by the Corporation is not subject to the requirements of Section 14(a) of the United States Securities Exchange Act of 1934, as amended (the US Exchange Act), by virtue of an exemption applicable to proxy solicitations by foreign private issuers as defined in Rule 3b-4 under the US Exchange Act. Accordingly, this Information Circular has been prepared in accordance with the applicable disclosure requirements in Canada. Residents of the United States should be aware that such requirements may be different than those of the United States applicable to proxy statements under the US Exchange Act.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation s authorized capital consists of an unlimited number of NAEP Common Shares and an unlimited number of non-voting NAEP Common Shares. As at August 13, 2010, there were a total of 36,072,936 NAEP Common Shares outstanding and no non-voting NAEP Common Shares outstanding. Each NAEP Common Share entitles the holder thereof to one vote in respect of each of the matters to be voted upon at the Meeting. For a list of all persons or corporations who beneficially own, or control or direct, directly or indirectly, securities carrying more than 10% of the voting rights attached to the NAEP Common Shares, please see the table included under the Section captioned *Business to be Transacted at The Meeting Election of Directors* .

QUORUM

A quorum for the transaction of business at the Meeting shall consist of at least two persons holding or representing by proxy not less than twenty (20%) percent of the outstanding shares of the Corporation entitled to vote at the meeting.

If a quorum is not present at the opening the Meeting, the NAEP Shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days it is not necessary to give notice of the adjourned meeting other than by announcement at the time of an adjournment. If a meeting of NAEP Shareholders is adjourned by one or more adjournments for an aggregate of more than 29 days and not more than 90 days, notice of the adjourned meeting shall be given as for an original meeting but the management of the Corporation shall not be required to send a form of proxy in the form prescribed by applicable law to each NAEP Shareholder who is entitled to receive notice of the meeting. Those shareholders present at any duly adjourned meeting shall constitute a quorum.

The Corporation s list of NAEP Shareholders as of the Record Date has been used to deliver to NAEP Shareholders the Notice of Meeting and this Information Circular as well as to determine the NAEP Shareholders who are eligible to vote.

PRESENTATION OF FINANCIAL STATEMENTS

The audited comparative consolidated financial statements of the Corporation for the fiscal year ended March 31, 2010, together with the report of the auditors thereon, copies of which are contained in the Corporation s annual report, will be presented to the NAEP Shareholders at the Meeting. Receipt in the Meeting of the auditors report and the Corporation s financial statements for its last completed fiscal period will not constitute approval or disapproval of any matters referred to therein.

BUSINESS TO BE TRANSACTED AT THE MEETING

1. Election of Directors

The Board of Directors of the Corporation presently consists of ten directors. All of the nominees below are now directors of the Corporation and have been directors since the dates indicated below. Unless a NAEP Shareholder directs that his or her NAEP Common Shares be otherwise voted or withheld from voting in connection with the election of directors, the persons named in the enclosed form of proxy will vote for the election of the ten nominees whose names are set forth below. Management does not contemplate that any of the following nominees will be unable or unwilling to serve as a director but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy will have the right to vote for another nominee in their discretion. Each director elected at the Meeting will hold office until the next annual meeting or until his or her successor is duly elected or appointed.

The following table and the notes thereto state, as of August 17, 2010, the: (i) name, municipality, province or state of residence, country of residence, and age of each nominee; (ii) the date each nominee first became a director of the Corporation (with the current term of each nominee expiring as of the holding of the Meeting); (iii) where applicable, the current position of each nominee with the Corporation (other than that of director); (iv) the present status of each nominee as an independent or non-independent director; (v) the committees upon which each nominee presently serves; (vi) the present principal occupation, business or employment of each nominee; (vii) the number of NAEP Common Shares and options beneficially owned, or controlled or directed, directly or indirectly, by each nominee; and (viii) the Board and committee meeting attendance record for each nominee in the 2010 fiscal year.

George R. Brokaw

Southampton, NY,

U.S.A, 42

Director since: June 28, 2006

Independent Director

Meets share ownership guidelines

George R. Brokaw became one of our Directors on June 28, 2006. Mr. Brokaw joined Perry Capital, L.L.C., an affiliate of Perry Corp., in August 2005. Mr. Brokaw is a Managing Director of Perry Corp. From January 2003 to May 2005, Mr. Brokaw was Managing Director (Mergers & Acquisitions) of Lazard Frères & Co. LLC, which he joined in 1996. Between 1994 and 1996, Mr. Brokaw was an investment banking associate for Dillon Read & Co. Mr. Brokaw received a Bachelor of Arts degree from Yale University and a Juris Doctorate and Masters of Business Administration from the University of Virginia. He is admitted to practice law in the State of New York. Affiliates of Perry Corp. are holders of NAEP Common Shares (see table disclosing beneficial ownership).

Securities Held

Fiscal Year	**DSUs (#)**	**Common Shares (#)**
2008	1,718	
2009	15,768	
2010	27,632	NIL

Options Held

Date Granted	**Expiry Date**	**Exercise Price**	**Options Granted and Vested (#)**	**Total Unexercised (#)**	**Total At-Risk Value of Options Unexercised** [(1)]
June 29, 2006	June 29, 2016	$5.00	27,760 / 27,760	27,760	$129,916

Committee Membership and Attendance Record	
Board	15 of 16
Audit	4 of 5
Health, Safety, Environment and Business Risk	7 of 7

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John A. Brussa

Calgary, AB,

Canada, 53

Director since: November 26, 2003

Independent Director

Meets share ownership guidelines

John A. Brussa became one of our Directors on November 26, 2003. Mr. Brussa is a senior partner and head of the Tax Department at the law firm of Burnet, Duckworth & Palmer LLP, a leading natural resource and energy law firm located in Calgary. He has been a partner since 1987 and has worked at the firm since 1981. Mr. Brussa is Chairman of Penn West Petroleum Ltd. (Penn West Energy Trust) and Crew Energy Inc. Mr. Brussa also serves as a director of a number of natural resource and energy companies. He is a member and former Governor of the Executive Committee of the Canadian Tax Foundation. Mr. Brussa attended the University of Windsor and received his Bachelor of Arts in History and Economics in 1978 and his Bachelor of Laws in 1981.

Securities Held

Fiscal Year	**DSUs (#)**	**Common Shares (#)**
2008	953	
2009	10,845	
2010	21,017	112,400

Options Held

Date Granted	**Expiry Date**	**Exercise Price**	**Options Granted and Vested (#)**	**Total Unexercised (#)**	**Total At-Risk Value of Options Unexercised** [(1)]
November 26, 2003	November 26, 2013	$5.00	27,760 / 27,760	27,760	$129,916

Committee Membership and Attendance Record	
Board	15 of 16
Compensation	3 of 3
Governance	1 of 1

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Peter Dodd

Sydney,

Australia, 60

Director since: June 11, 2009

Non-Independent Director

Meets share ownership guidelines

Peter R. Dodd retired as Chief Financial Officer of NAEP on June 10, 2009 and became a non-independent director of the Corporation. Mr. Dodd has over 25 years experience in strategic business planning, corporate finance and investment banking. Prior to joining NAEP, Mr. Dodd served as Director of Strategy and Development for CSR Ltd., an Australia based conglomerate with sugar, building products, aluminum and property divisions. Previously, Mr. Dodd was Managing Director and Global Head of Corporate Finance for ABN AMRO in London, England, managing corporate finance teams in 23 countries. Mr. Dodd has a PhD in Accounting and Finance from the William E. Simon School of Management at the University of Rochester and is currently Deputy Vice-Chancellor & Chief Operating Officer of Macquarie University in Sydney, Australia.

Securities Held

Fiscal Year	DSUs (#)	PSUs (#)	Common Shares (#)
2008	Nil	4,667	
2009	Nil	20,117	
2010	12,207	Nil	40,000

Options Held

Date Granted	Expiry Date	Exercise Price	Options Granted and Vested (#)	Total Unexercised (#)	Total At-Risk Value of Options Unexercised (1)
November 27, 2007	November 27, 2017	$13.50	109,400 / 43,760	43,760	Nil
December 4, 2008	December 4, 2018	$3.69	12,500 / 2,500	2,500	$14,975

Committee Membership and Attendance Record

Board	11 of 16
Governance	1 of 1
Health, Safety, Environment and Business Risk	1 of 2

John D. Hawkins

Houston, TX,

U.S.A., 46

Director since: October 17, 2003

Independent Director

Meets share ownership guidelines

John D. Hawkins became one of our Directors on October 17, 2003. Mr. Hawkins joined The Sterling Group, L.P. in 1992 and has been a Partner since 1999. The Sterling Group is a private equity investment firm and an investment entity affiliated with The Sterling Group is a holder of NAEP Common Shares. Mr. Hawkins also serves on the board of several Sterling portfolio companies and non-profit entities. Before joining Sterling Group, Mr. Hawkins was on the professional staff of Arthur Andersen & Co. from 1986 to 1990. He received a Bachelor of Science in Business Administration in Accounting from the University of Tennessee and his Master of Business Administration from the Owen Graduate School of Management at Vanderbilt University.

Securities Held

Fiscal Year	**DSUs (#)**	**Common Shares (#)**
2008	898	
2009	13,742	
2010	31,888	31,208

Options Held

Date Granted	**Expiry Date**	**Exercise Price**	**Options Granted and Vested (#)**	**Total Unexercised (#)**	**Total At-Risk Value of Options Unexercised** [(1)]
November 26, 2003	November 26, 2013	$5.00	27,760 / 27,760	5,552	$25,983

Committee Membership and Attendance Record

Board	13 of 16
Audit	5 of 5
Governance (Chair)	1 of 1

Ronald A. McIntosh

Calgary, AB,

Canada, 68

Director since: May 20, 2004

Independent Director

Chairman of the Board

Meets share ownership guidelines

Ronald A. McIntosh became Chairman of our Board of Directors on May 20, 2004. From January 2004 until August of 2006, Mr. McIntosh was Chairman of NAV Energy Trust, a Calgary-based oil and natural gas investment fund. Between October 2002 and January 2004, he was President and Chief Executive Officer of Navigo Energy Inc. and was instrumental in the conversion of Navigo into NAV Energy Trust. He was Senior Vice President and Chief Operating Officer of Gulf Canada Resources Limited from December 2001 to July 2002 and Vice President, Exploration and International of Petro-Canada from April 1996 through November 2001. Mr. McIntosh s significant experience in the energy industry includes the former position of Chief Operating Officer of Amerada Hess Canada. Mr. McIntosh is on the Board of Directors of Advantage Oil & Gas Ltd. and Fortress Energy Inc.

Securities Held

Fiscal Year	**DSUs (#)**	**Common Shares (#)**
2008	1,945	
2009	21,673	
2010	39,732	56,200

Options Held

Date Granted	**Expiry Date**	**Exercise Price**	**Options Granted and Vested (#)**	**Total Unexercised (#)**	**Total At-Risk Value of Options Unexercised** [(1)]
April 22, 2004	April 22, 2014	$5.00	70,000 / 70,000	70,000	$327,600

Committee Membership and Attendance Record	
Board	16 of 16
Audit	5 of 5
Governance	1 of 1
Health, Safety, Environment and Business Risk	7 of 7

William C. Oehmig

Houston, TX,

U.S.A., 61

Director since: May 20, 2004

Independent Director

Meets share ownership guidelines

William C. Oehmig served as Chairman of our Board of Directors from November 26, 2003 until passing off this position and assuming the role of Director and Chairman of the Executive Committee on May 20, 2004. He now serves as Chairman of the Risk Committee and on the Compensation Committee. Mr. Oehmig is a Partner with The Sterling Group, L.P., a private equity investment firm. An investment entity affiliated with The Sterling Group is a holder of NAEP Common Shares. Prior to joining Sterling Group in 1984, Mr. Oehmig worked in banking, mergers and acquisitions, and represented foreign investors in purchasing and managing U.S. companies in the oilfield service, manufacturing, distribution, heavy equipment and real estate sectors. He began his career in Houston in 1974 at Texas Commerce Bank. Mr. Oehmig currently serves on the board of Universal Fibers Inc. In the past he has served as Chairman of Royster Clark, Purina Mills, Exopack and Sterling Diagnostic Imaging and has served on the boards of several other Sterling portfolio companies. Mr. Oehmig serves or has served on numerous other corporate and non-profit boards. Mr. Oehmig received his Bachelor of Business Administration (B.B.A.) in Economics from Transylvania University and his Master of Business Administration (M.B.A.) from the Owen Graduate School of Management at Vanderbilt University.

Securities Held

Fiscal Year	DSUs (#)	Common Shares (#)
2008	2,170	
2009	22,789	
2010	43,582	583,720

Options Held

Date Granted	Expiry Date	Exercise Price	Options Granted and Vested (#)	Total Unexercised (#)	Total At-Risk Value of Options Unexercised [(1)]
November 26, 2003	November 26, 2013	$5.00	27,760 / 27,760	Nil	N/A

Committee Membership and Attendance Record	
Board	14 of 16
Compensation	3 of 3
Health, Safety, Environment and Business Risk (Chair)	7 of 7

Rodney J. Ruston

Calgary, AB,

Canada, 59

Director Since: June 15, 2005

Non- Independent Director

President & Chief Executive

Officer

Meets share ownership guidelines

Rodney J. Ruston became President and Chief Executive Officer of NAEP on May 9, 2005 and took the Corporation public with a listing on both the NYSE and TSX on November 22, 2006. In 2007, Mr. Ruston joined Northern Alberta Institute of Technology s President s Advisory Committee where he served for two years. In July 2009 Mr. Ruston joined the Board of the Alberta Enterprise Group, a public policy advocacy group based in Edmonton Alberta.

Prior to joining NAEP, Mr. Ruston was Managing Director and Chief Executive Officer of Ticor Limited, a publicly-listed, Australian natural resources company with operations in Australia, South Africa and Madagascar. Mr. Ruston has spent his entire career in the natural resources industry, holding management positions with Pasminco Limited, Savage Resources Limited, Wambo Mining Corporation, Oakbridge Limited, and Kembla Coal & Coke Pty. Limited.

He was Chairman of the Australian Minerals Tertiary Education Council from July 2003 until May 2005. He received his Masters of Business Administration from the University of Wollongong and Bachelor of Engineering (Mining) from the University of New South Wales in Australia.

Securities Held

Fiscal Year	**PSUs (#)**	**Common Shares (#)**
2010	78,835	28,700

Options Held

Date Granted	**Expiry Date**	**Exercise Price**	**Options Granted and Vested (#)**	**Total Unexercised (#)**	**Total At-Risk Value of Options Unexercised** [(1)]
May 9, 2005	May 9, 2015	$5.00	550,000 / 550,000	440,000	$2,059,200
November 27, 2007	November 27, 2017	$13.50	21,900 / 8,760	8,760	Nil
December 4, 2008	December 4, 2018	$3.69	29,200 / 5,840	5,840	$34,981
February 8, 2010	February 8, 2020	$9.33	32,200 / Nil	Nil	Nil

Committee Membership and Attendance Record	
Board	15 of 16
Audit	4 of 5
Compensation	3 of 3
Health, Safety, Environment and Business Risk	7 of 7

Allen R. Sello

West Vancouver, BC,

Canada, 71

Director Since: January 26, 2006

Independent Director

Meets share ownership guidelines

Allen R. Sello became one of our Directors on January 26, 2006. His career began at Ford Motor Company of Canada in 1964, where he held finance and marketing management positions, including Treasurer. In 1979, Mr. Sello joined Gulf Canada Limited, at which he held various senior financial positions, including Vice-President and Controller. He was appointed Vice-President, Finance of its successor company Gulf Canada Resources Limited in 1987 and Chief Financial Officer in 1988. Mr. Sello then joined International Forest Products Ltd. in 1996 as Chief Financial Officer. From 1999 until his retirement in 2004 he held the position of Senior Vice-President and Chief Financial Officer for UMA Group Limited. Mr. Sello is currently a director of Sterling Shoes Inc. and Chair of the Vancouver Board of Trade s Government Budget and Finance Committee. Mr. Sello received his Bachelor of Commerce from the University of Manitoba and his Master of Business Administration (M.B.A.) from the University of Toronto.

Securities Held

Fiscal Year	**DSUs (#)**	**Common Shares (#)**
2008	953	
2009	10,346	
2010	20,223	28,100

Options Held

Date Granted	**Expiry Date**	**Exercise Price**	**Options Granted and Vested (#)**	**Total Unexercised (#)**	**Total At-Risk Value of Options Unexercised** (1)
February 23, 2006	February 23, 2016	$5.00	27,760 / 22,208	22,208	$103,933

Committee Membership and Attendance Record	
Board	16 of 16
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Peter W. Tomsett

West Vancouver, BC,

Canada, 52

Director Since: September 19, 2006

Independent Director

Meets share ownership guidelines

Peter W. Tomsett became one of our Directors on September 19, 2006. From September 2004 to January 2006, Mr. Tomsett was President & Chief Executive Officer of Placer Dome Inc. based in Vancouver. He joined the Placer Dome Group in 1986 as a Mining Engineer with the Project Development group in Sydney, Australia. After various project and operating positions, he assumed the role of Executive Vice-President, Asia-Pacific for Placer Dome Inc. in 2001. In 2004, Mr. Tomsett also took on responsibility for Placer Dome Africa which included mines in South Africa and Tanzania. Mr. Tomsett has been a Director of the Minerals Council of Australia, the World Gold Council and the International Council for Mining & Metals. Mr. Tomsett graduated with a Bachelor of Engineering (Honours) in Mining Engineering from the University of New South Wales and also attained a Master of Science (Distinction) in Mineral Production Management from Imperial College, London. Mr. Tomsett is also Chairman of Silver Standard Resources Inc. and Equinox Minerals Ltd., and a director of Talisman Energy Inc.

Securities Held

Fiscal Year	**DSUs (#)**	**Common Shares (#)**
2008	2,326	
2009	23,188	
2010	46,852	NIL

Options Held

Date Granted	**Expiry Date**	**Exercise Price**	**Options Granted and Vested (#)**	**Total Unexercised (#)**	**Total At-Risk Value of Options Unexercised** [(1)]
September 14, 2006	September 14, 2016	$16.75	27,760 / 16,656	16,656	Nil

Committee Membership and Attendance Record

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K. Rick Turner

Houston, TX,

U.S.A., 52

Director Since: November 26, 2003

Independent Director

Meets share ownership guidelines

K. Rick Turner became one of our Directors on November 26, 2003. Mr. Turner has been employed by Stephens family entities since 1983. Mr. Turner is currently Senior Managing Director of The Stephens Group, LLC. He first became a private equity principal in 1990 after serving as the Assistant to the Chairman, Jackson T. Stephens. His areas of focus have been oil and gas exploration, natural gas gathering, processing industries and power technology. Mr. Turner currently serves as a director of Atlantic Oil Corporation; JV Industrials, LLC; JEBCO Seismic, LLC; Seminole Energy Services, LLC; the General Partner of Energy Transfer Partners, LP (ETP); and the General Partner of Energy Transfer Equity, LP (ETE). Prior to joining Stephens, Mr. Turner was employed by Peat, Marwick, Mitchell and Company. Mr. Turner earned his Bachelor of Science in Business Administration (B.S.B.A.) from the University of Arkansas and is a non-practicing Certified Public Accountant.

Securities Held

Fiscal Year	DSUs (#)	Common Shares (#)
2008	859	
2009	9,517	
2010	20,133	33,427

Options Held

Date Granted	Expiry Date	Exercise Price	Options Granted and Vested (#)	Total Unexercised (#)	Total At-Risk Value of Options Unexercised [(1)]
November 26, 2003	November 26, 2013	$5.00	27,760 / 27,760	5,552	$25,983

Committee Membership and Attendance Record

Board	16 of 16
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Governance	1 of 1

(1) The At-Risk Value means the in the money value of the applicable vested equity units using the closing price of the common shares on the TSX on March 31, 2010 of $9.68.

Board and Committee Meetings Held in Fiscal Year 2010

Board/Committee	Total Number of Meetings
Board	16
Audit	5
Compensation	3
Health, Safety, Environment and Business Risk	7
Governance	1

The following persons or entities beneficially own, or control or direct, directly or indirectly, securities carrying more than 10% of the voting rights attached to the NAEP Common Shares based on information available on August 13, 2010.

Name of Beneficial Owner	Number of NAEP Common Shares	% of Outstanding NAEP Common Shares
Sterling Group Partners I, L.P. [(a)]	4,626,265	12.81
Richard Perry [(b)]	4,598,466	12.73
Fidelity Management & Research Company [(c)]	3,822,900	10.58

(a) Sterling Group Partners I GP, L.P. is the sole general partner of Sterling Group Partners I, L.P. Sterling Group Partners I GP, L.P. has five general partners, each of which is wholly-owned by one of Frank J. Hevrdejs, William C. Oehmig, T. Hunter Nelson, John D. Hawkins and C. Kevin Garland. Each of these individuals disclaims beneficial ownership of the shares owned by Sterling Group Partners I, L.P. Sterling Group Partners I, L.P. is an affiliate of The Sterling Group, L.P.

(b) Perry Partners, L.P. directly holds 2,161,361 NAEP Common Shares. Perry Luxco S.A.R.L. directly holds 1,718,443 NAEP Common Shares. Perry Partners International, Inc. directly holds 718,662 NAEP Common Shares. Richard Perry is the President and sole shareholder of Perry Corp., which is the investment manager of Perry Partners International, Inc. and the managing general partner of Perry Partners, L.P. Perry Partners International, Inc. is the indirect sole shareholder of the class of securities owned by Perry Luxco S.A.R.L. As such, Mr. Perry may be deemed to have beneficial ownership over the respective NAEP Common Shares owned by Perry Luxco S.A.R.L., Perry Partners, L.P. and Perry Partners International, Inc.; however, Mr. Perry disclaims such beneficial ownership, except to the extent of his pecuniary interest, if any, therein. Perry Corp. is an affiliate of Perry Strategic Capital Inc.

(c) Fidelity Management & Research Company, a wholly-owned subsidiary of FMR, LLC and an investment advisor registered under the US Investment Advisors Act of 1940, is the beneficial owner of 3,822,900 NAEP Common Shares as a result of acting as investment advisor to various investment companies registered under the US Investment Company Act of 1940.

Unless a NAEP Shareholder otherwise directs, or directs that his or her NAEP Common Shares are to be withheld from voting in connection with the election of the directors as specified above, the persons named in the enclosed form of Proxy intend to vote for the election of the directors as specified above, such directors to hold office until the next annual meeting or until his or her successor is appointed.

2. Re-appointment of Independent Auditors and Authorization of Directors to fix their Remuneration

At the Meeting, NAEP Shareholders will be requested to vote on the re-appointment of KPMG LLP (KPMG) as the independent auditors of the Corporation to hold office until the next annual meeting of shareholders or until a successor is appointed, and to authorize the Board of Directors to fix the auditors remuneration. KPMG have been the auditors of the Corporation, or its predecessor NACG Holdings Inc., since October 31, 2003.

Recommendation of the Board of Directors

The Board of Directors recommends a vote for the re-appointment of KPMG as independent auditors of the Corporation for the fiscal year ending March 31, 2011 and authorizing the Board of Directors to fix the auditor s remuneration.

Unless a NAEP Shareholder otherwise directs, or directs that his or her NAEP Common Shares are to be withheld from voting in connection with the appointment of auditors, the persons named in the enclosed form of Proxy intend to vote for the reappointment of KPMG as auditors of the Corporation until the next annual meeting of shareholders and to authorize the directors to fix their remuneration.

3. Other Matters

Management of the Corporation know of no matters to come before the Meeting other than as set forth in the Notice of Meeting. However, if other matters which are not currently known to management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

COMPENSATION DISCUSSION AND ANALYSIS

Compensation Committee

The Compensation Committee is responsible for reviewing and recommending to the Board of Directors for approval, the Corporation s philosophy, policies and guidelines on Board of Directors and executive compensation. The Compensation Committee reviews and recommends to the Board of Directors for approval: (i) the recruitment, evaluation and succession plans for the President and Chief Executive Officer, (ii) the compensation package for the chairs of the committees of the Board of Directors and other directors of the Corporation, and (iii) the structure of, implementation of, participation in, amendments to or termination of all long-term incentive programs including, but not limited to, the Share Option Plan, the DSU Plan (see *Compensation of Directors Directors Deferred Share Unit Plan*) and the PSU Plan (see *Long-term*

Incentive Plan Performance Share Unit Plan). The Compensation Committee also reviews and approves: (i) the recruitment, evaluation and succession plans for all individuals reporting directly to the Chief Executive Officer (the executive management), and (ii) the compensation package, including base salaries, annual incentive compensation, all retirement, health and welfare benefits and perquisites for executive management (and with respect to the Chief Executive Officer, recommends such matters to the Board of Directors for approval). The Compensation Committee may review any and all aspects of total compensation at its discretion; however a formal review is undertaken annually with base salary adjustments and short-term bonus payments processed in July of each year. Short-term bonuses awarded and paid out in July, 2010 were for the achievement of results in the 2010 fiscal year (April 1, 2009 March 31, 2010). Our Board of Directors has adopted a written charter for the Compensation Committee that is available on our website.

Executive Compensation Philosophy

The Corporation s executive compensation policy is designed to attract, retain and motivate qualified executives who are committed to achieving success for the Corporation and maximum value for its shareholders. The philosophy of the executive compensation policy is premised upon three core principles:

1. Competitive Compensation

As of the end of March, 2010 the overall employment picture in Alberta remained strong, with unemployment levels among the lowest of any province in Canada and competition for top talent remaining fierce. Experienced senior talent, particularly in the energy sector, still remains difficult to attract and retain. The Corporation maintains a market-competitive total executive compensation package as outlined in the table below (Executive Compensation Elements). In our ongoing effort to ensure that our compensation plans remain market-competitive, we regularly utilize the services of independent specialized compensation consultants, including Hewitt Associates and Wynford Group, to evaluate our total compensation against that of leading corporations within Alberta in the industries in which the Corporation operates. With respect to long-term incentive plans for executive management and compensation for directors, the Committee utilizes specialized compensation consulting services provided by Hewitt Associates to assist with the structure and design of these plans. Through this process, we ensure that our executive compensation programs support the development and retention of our executives as they are crucial to our future success.

2. Performance & Accountability

We believe that executive compensation should be strongly correlated to the financial performance of the Corporation, and that the executives, as the key decision makers of the Corporation, should be held accountable for that performance. To that end, we have adopted the annual Management Incentive Plan (the MIP also known as Short-Term Incentive Plan), which is discussed further below under *Alignment of Executive and Shareholder Interests* . The MIP was first introduced in 2006, with the key underlying principle of ensuring that executives are held accountable to stakeholders by measuring the performance of the Corporation against the Corporation s Consolidated EBITDA¿ forecast in the approved annual budget. This creates a performance-based corporate culture that rewards individual contributions to the achievement of the Corporation s goals and creation of shareholder value. A significant portion of executive compensation is in the form of at-risk pay, compensating executives for strong corporate performance and achievement of individual objectives. This emphasis on performance-based compensation is reflected in determining all elements of executive compensation.

¿ The term Consolidated EBITDA , when used in this document refers to Consolidated EBITDA as defined in the Corporation s credit agreement. This is not a recognized measure under generally accepted accounting principles. For a detailed definition of Consolidated EBITDA (as used in this document) and a reconciliation to net income see our management s discussion and analysis for the year ended March 31, 2010, which is available on the Canadian Securities Administrators System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com, the Securities and Exchange Commission s website at www.sec.gov and the Corporation s web site at www.nacg.ca.

3. Alignment of Executive and Shareholder Interests

It is in the Corporation s best interests to meet shareholder expectations and ensure continued access to capital on favourable terms. Accordingly the MIP was designed to ensure that the continued profitability of the Corporation results in increased financial reward for shareholders and executives alike. Executives are rewarded through the MIP based on three criteria: (i) organizational performance; (ii) divisional performance; and (iii) individual performance. The Chief Executive Officer is rewarded through the MIP based on two criteria: (i) organizational performance and (ii) individual performance. This approach ensures that the role of the individual within the team is appropriately recognized. The MIP is a key mechanism utilized in realizing the compensation principles, particularly the latter two. The target MIP remuneration structure for the 2010 fiscal year is set out below and remains unchanged for the 2011 fiscal year (based on the actual performance of the Corporation, the percentage attributable to the Corporation s performance may be higher and consequently the actual proportion of salary paid may be higher than 100%):

Management Level	Corporation Performance	Business Unit or Divisional Performance	Individual Performance	Proportion of Salary Payable at Target
President and Chief Executive Officer	70%		30%	100%
Chief Financial Officer and Vice Presidents	50%	30%	20%	100%

The Corporation s Key Performance Indicator (KPI) is based on the Corporation s total Consolidated EBITDA¿, while business unit and divisional KPIs are selected measures specific to a division based on key business drivers of that division, examples of which include production efficiencies, equipment utilization, cost performance and safety performance. Individual KPIs are related to the development of the team, development of key individuals within the division and special projects undertaken within the division.

Executive Compensation Overview

This discussion of executive compensation focuses on the compensation of the following:

i. our President and Chief Executive Officer, Rodney J. Ruston;

ii. our Chief Financial Officer as at the end of the 2010 fiscal year, David Blackley; and

iii. our three most highly compensated executive officers as at the end of the 2010 fiscal year, other than our Chief Executive Officer and our Chief Financial Officer, those three executive officers being Christopher R. Yellowega, Kevin R. Mather and Robert G. Harris.

All of those above are defined by applicable regulations to be named executive officers for the purposes of compensation disclosure (collectively, the NEOs).

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The following table sets out the various components of compensation that executives (including the NEOs) receive:

Executive Compensation Components

Base Salary	Base salary is based on the executive s level of responsibility, skills and experience, and the market value of the position. Adjustments to base salary are generally considered annually, taking into account the executive s overall performance, experience and market conditions.
Short-Term Incentive Plan (STIP)	STIP compensation is linked to the Corporation s performance in the fiscal year as measured by the Corporation s total Consolidated EBITDA achieved. Each executive has a targeted annual bonus of 100% of base salary. Actual payout is determined by achievement of predetermined financial objectives and performance objectives. Payouts range from zero to a maximum of 200% of an executive s bonus target.
Long-Term Incentive Plan (LTIP)	LTIP compensation grants are generally made twice per calendar year through two vehicles: (1) Stock Options granted in December, and (2) Performance Share Units granted in April. Each executive has a target annual LTIP compensation value of 40% of base salary. Of that target annual LTIP, 50% is awarded as Stock Options and 50% is awarded as Performance Share Units. The CEO targeted LTIP compensation value is 50% of base salary. Of that target annual LTIP, 50% is awarded as Stock Options and 50% is awarded as Performance Share Units.
Retirement Arrangements	The Corporation matches contributions of executives to registered retirement savings plans to a maximum of 5% of base salary. If or when the executive reaches his or her annual RRSP contribution limits, the remaining contributions for the calendar year are made to a non-registered saving plan.
Benefit Plans	Executive benefit plans, paid for by the Corporation, provide extended health, dental, disability and insurance coverage.
Perquisites	Limited perquisites are provided including car allowance, reimbursement for annual dues to a local sport or health club, an annual medical examination and a discretionary health care spending account.

Determining Individual Compensation for NEOs

As described above, the Compensation Committee is responsible for providing oversight with regard to executive compensation programs and setting individual compensation for the NEOs. The Compensation Committee receives assistance from several sources, both internal and external, in order to fulfill these responsibilities.

Compensation Consultants

Since 2007, the Corporation has engaged the services of specialized compensation consultants, Hewitt Associates and Wynford Group, to provide information and independent advice to assist in developing the appropriate total compensation philosophy and structure and to assist management in the development of the various programs within our compensation framework. The Corporation engaged the services of these consultants to perform studies of the market comparator group of corporations to evaluate the Corporation s total compensation programs and to make recommendations to the Compensation Committee. The Corporation also engaged the services of Hewitt Associates to assist the Corporation in developing a new long-term incentive plan for the 2009 fiscal year and to assist with director compensation.

Comparator Group Analysis and Market Data

In determining compensation for the executive group, our primary comparator group includes companies in the Canadian industrial construction and mining sectors that meet the following criteria:

a. Competing for similar talent, primarily in Alberta;

b. Operating in one or more of the mining, piling, pipeline, industrial construction and heavy construction sectors and;

c. Operating in major industrial projects in Northern Alberta (Oil Sands) as well as the Edmonton area and other Western Canadian provinces with annual revenue of $500 million up to $3 billion.

When there are insufficient job matches in that group, comparator data from the overall Canadian industrial sector is used. The specific companies included in these comparator groups are those whose data is available through the consultant s database. In addition, in determining compensation for the NEOs, the Compensation Committee considers publicly-disclosed executive compensation information for Canadian public companies. The use of comparative market data is just one of the factors used in setting compensation for the NEOs. NEO compensation could be higher or lower than the comparator data as a result of personal performance, skills or experience.

Input from the Corporation s Management

The President & CEO participates in the compensation process, makes recommendations to the Compensation Committee with respect to the other NEOs and recommends to the Compensation Committee the specific business goals to be used as performance targets for the various incentive programs. The Vice President, Human Resources, Health, Safety & Environment and the CFO assist the President & CEO in developing and presenting management s recommendations and supporting material to the Compensation Committee pertaining to the compensation of the NEOs.

Assessment of Individual Performance

Each year, the President & CEO evaluates the performance of each of the other NEOs. In addition to organizational performance, NEOs are assessed on both divisional performance and individual performance. The President & CEO is assessed on organizational performance and individual performance by the Compensation Committee, with participation of the entire Board.

2010 Fiscal Year Compensation

Base Salary

Base salaries for the NEOs are reviewed and approved each year by the Compensation Committee with adjustments effective July 1. The Compensation Committee may make adjustments to an executive s salary as a result of any change in the executive s duties and responsibilities and based on the performance and contribution of the executive, both on an individual basis and on the performance of the executive s business unit or division during the previous fiscal year. In reviewing the base salaries of the Corporation s executives, the Compensation Committee also considers comparator group compensation, internal pay relationships and total employee cost. The base salary pay adjustments noted below took into consideration the pay position of each executive in the market and percentage adjustments ensured base compensation levels remained commensurate with the market.

The following table sets out the 2010 base salaries as at March 31, 2010, and the percentage increase from 2009 for each of the NEOs:

NEO	2010 Base Salary ($)	% change from 2009
Rodney J. Ruston	576,800	3.0
David Blackley	268,249	9.0
Christopher R. Yellowega	275,000	10.0
Kevin R. Mather	273,239	8.0
Robert G. Harris	249,956	3.0

Short-Term Incentive Plan (STIP)

Our STIP for executive management (also known as our Management Incentive Plan or MIP) is described above in *Alignment of Executive and Shareholder Interests* . It is the primary vehicle we use to reward executives for their contributions to strong financial and operational performance in a particular year. The purpose of the STIP is to motivate executives to enable the Corporation to achieve its financial goals and to reward them to the extent we achieve those goals. All of our executives, including the NEOs, participate in the STIP.

Consolidated EBITDA¿, was chosen as the financial metric for the STIP for the NEOs because it measures the current profitability of our business and, as such, is a good indicator of overall corporate performance. Certain prescribed adjustments to Consolidated EBITDA to eliminate factors not considered relevant to the true financial performance of the Corporation are recommended by the Compensation Committee and approved by the Board of Directors. The STIP for certain executives other than the NEOs may include performance objectives based on the performance of their applicable business unit.

The Board of Directors approves the Consolidated EBITDA target for the STIP which is developed at the beginning of each fiscal year through the Corporation s annual budget and strategic planning process. The Consolidated EBITDA target is intended to be challenging. The Board of Directors set a Consolidated EBITDA target for the 2010 fiscal year taking into account the results of the 2009 fiscal year and considering the budget and business plans prepared, presented to and approved by the Board. The Consolidated EBITDA results for the 2010 fiscal year exceeded the target set by the Board of Directors and STIP payouts were made to eligible employees including the NEOs at 104.5% of target. The Corporation does not disclose the Consolidated EBITDA target on the basis that it is confidential and competitively sensitive and its disclosure would seriously prejudice the Corporation s interests.

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Incentive opportunities for STIP participants at different levels within our organization are set as a percentage of each individual s base salary. The target incentive opportunity for each of the NEOs is 100% of base salary. The payouts for the NEOs range from zero to a maximum of 200% of target bonus depending on the Corporation s performance relative to the Consolidated EBITDA target and achievement by each NEO against divisional and individual performance objectives, as applicable. Recommendations for bonus awards are made by the President & CEO to the Compensation Committee. The Board of Directors determines the STIP award for the President and CEO based upon the Corporation s performance related to the Consolidated EBITDA target and achievement of individual performance objectives. The following table sets forth the STIP target, maximum STIP award and 2010 STIP award for each NEO.

NEO	STIP Target as Percentage of Base Salary (%)	STIP Target ($) (1)	Maximum STIP Award ($)	2010 STIP Award ($) (2)
Rodney J. Ruston	100	559,728	1,119,456	584,910
David Blackley	100	252,612	505,224	263,936
Christopher R. Yellowega	100	258,285	516,570	269,864
Kevin R. Mather	100	264,707	529,414	276,574
Robert G. Harris	100	246,032	492,064	257,061

(1) STIP Target is calculated as follows: 100% (Base Salary Effective April 1, 2009 to June 30, 2009 * 0.25) + (Base Salary Effective July 1, 2009 to March 31, 2010 * 0.75). This calculation takes into consideration base salary changes made part way through the fiscal year. Further pro-rations of the STIP calculation would occur if off-cycle adjustments were made throughout the fiscal year.

(2) 2010 STIP Awards for fiscal year end March 31, 2010 were paid in July, 2010. Consolidated EBITDA results for fiscal year 2010 resulted in STIP eligibility at 104.5% of target.

Long-Term Incentive Plan (LTIP)

The purpose of our equity-based LTIP is to motivate executives to achieve long-term performance goals which will increase shareholder return on investment. Under the LTIP, we award long-term incentives to executives in the form of share options and performance share units (PSUs), the value of which are directly linked to the creation of shareholder value.

The Compensation Committee reviews and recommends to the Board of Directors on the adequacy and the form of LTIP for executive management. An LTIP target value is established annually for executive management by the Compensation Committee and is primarily based upon the executive s role. The target value is calculated as a percentage of base salary. The LTIP is designed to deliver annual compensation equivalent to 50% of base salary for the CEO and 40% for the other NEOs. The LTIP is delivered through the use of two vehicles, those being grants of share options and grants of PSUs. Fifty percent of the LTIP compensation is delivered in December of each year through grants of share options recommended by the Chief Executive Officer and the Compensation Committee for approval by the Board of Directors in accordance with the Corporation s Share Option Plan. The other 50% of the LTIP compensation is delivered in April of each year through grants of PSUs recommended by the Chief Executive Officer and the Compensation Committee for approval by the Board of Directors in accordance with the Corporation s PSU Plan. LTIP grants to the CEO are determined by the Board of Directors.

Share Option Plan

The Share Option Plan was approved by the Corporation s shareholders on November 3, 2006 and became effective on November 28, 2006. The Share Option Plan was re-approved by the shareholders at the Annual and Special Meeting held on September 24, 2009. The Share Option Plan is administered by the Compensation Committee. Option grants under the Share Option Plan may be made to the Corporation s directors, officers, employees and consultants selected by the Compensation Committee. The Share Option Plan provides for the discretionary grant of options to purchase the Corporation s Common Shares. Options granted under the Share Option Plan are evidenced by an agreement, specifying the vesting, exercise price and expiration of such options, which terms are determined for each optionee by the Compensation Committee.

Options to be granted under the Share Option Plan will have an exercise price of not less than the previous 5 day volume weighted average trading price of the Corporation s Common Shares on the Toronto Stock Exchange or the New York Stock Exchange.

As of August 13, 2010, the Corporation had 36,072,936 Common Shares outstanding, therefore providing for a current maximum of 3,607,294 Common Shares reserved for issuance under the Share Option Plan. As at August 13, 2010, the Corporation had 2,216,604 options to purchase Common Shares outstanding (or approximately 6.1% of the outstanding Common Shares), leaving unallocated options to purchase an aggregate of 1,390,690 Common Shares (or approximately 3.9% of the outstanding Common Shares) available for future option grants at that date.

The Share Option Plan provides that up to 10% of the Corporation s issued and outstanding NAEP Common Shares from time to time may be reserved for issuance or issued from treasury and also provides that the maximum number of NAEP Common Shares issuable to insiders under the Share Option Plan (and any other security based compensation arrangements of the Corporation) is 10% of the Corporation s issued and outstanding NAEP Common Shares. The maximum number of NAEP Common Shares issuable to insiders, at any time, pursuant to the Share Option Plan and any other security based compensation arrangements of the Corporation is 10% of the outstanding NAEP Common Shares on a non-diluted basis immediately prior to the proposed option to purchase. The maximum number of NAEP Common Shares issuable to insiders, within any one year period, pursuant to the Share Option Plan and any other security based compensation arrangements of the Corporation is 10% of the outstanding shares on a non-diluted basis immediately prior to the proposed option to purchase.

The Share Option Plan provides that each option includes a cashless exercise alternative which provides a holder of an option with the right to elect to receive cash in lieu of purchasing the number of shares under the option. Notwithstanding such right, the Share Option Plan provides that the Corporation may elect, at its sole discretion, to net settle the option with stock.

Options may not be exercised prior to the first anniversary of the date of the grant. The vesting of options is otherwise determined on the grant of the option. Generally, options vest over a five-year period at a rate of 20% per year and expire at the end of 10 years. Each option has a term of no less than five and not more than 10 years.

The Share Option Plan provides that, in the event of the termination (with or without cause) of an optionee, the options held by an optionee cease to be exercisable 30 days after the termination, subject to adjustment by the Compensation Committee. For qualified retirees (age 55 or over and as approved by the Compensation Committee), vested options continue to be exercisable for the balance of the exercise period applicable to the option.

The Corporation does not provide financial assistance to participants under the Share Option Plan to facilitate the purchase of securities under the Share Option Plan. Options granted under the Share Option Plan are not transferable by an optionee, except by an optionee s will or by the laws of descent and distribution. During the lifetime of an optionee, the options are exercisable by only him or her (or, in the case of the optionee s disability, by his or her legal representative(s), if applicable). If an optionee dies, the options held by such optionee may be exercised by the legal representative of the deceased optionee. Such options cease to be exercisable on such date that is the earlier of: (a) 365 days after the optionee s death, and (b) the expiry date set out in the deceased optionee s option agreement. Notwithstanding the foregoing, the Share Option Plan allows the expiry date to be extended by determination of the Compensation Committee or as permitted under the option agreement. If the expiry date falls within or immediately after a blackout period or a lock-up period, the expiry date would be automatically extended for five business days after the blackout period or lock-up period.

The Share Option Plan provides that subject to receipt of shareholder and regulatory approval, the Board of Directors may make certain specified amendments to the Share Option Plan, including (i) any amendment to the number of securities issuable under the Share Option Plan, (ii) any changes in the participants in the plan that have the potential of broadening or increasing insider participation, (iii) the introduction of, or amendments to, any form of financial assistance and (iv) any other amendments that may lead to significant or unreasonable dilution in the Corporation s outstanding securities or may provide additional benefits to eligible participants, especially to participants who are insiders. The Share Option Plan authorizes the Board of Directors to make other amendments to the plan, subject only to regulatory approval (i.e. without shareholder approval, unless specifically required by applicable law), including (i) amendments of a housekeeping nature (i.e. amendments for the purpose of curing any ambiguity, error or omission in the Share Option Plan, or to comply with applicable law or the requirements of any stock exchange on which the Common Shares are listed), (ii) any changes to the vesting provisions, (iii) any changes in the termination provisions of an option or of the Share Option Plan which does not entail an extension beyond the original expiry date, (iv) a discontinuance of the Share Option Plan and (v) the addition of provisions relating to phantom share units, such as restricted share units and deferred share units, which result in participants receiving cash payments, and the terms governing such features.

In December 2009, as part of the 50% grant under the LTIP program, Share Options were scheduled for grant to the NEOs. In determining the 2009 Share Option grant size, the state of the economy at the time presented issues that needed to be addressed as part of the grant. While the unprecedented market and economic conditions during the previous 12 months had abated somewhat, there was sufficient uncertainty to warrant a conservative approach to granting Share Options. In addition, given the slow recovery of the Corporation s share price, a high number of options would have been required to maintain the estimated economic value of compensation targeted for delivery thr