North American Energy Partners Inc.
Form 6-K
November 02, 2010
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

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

under the Securities Exchange Act of 1934

For the month of November 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): ¨

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Documents Included as Part of this Report

1. Interim consolidated financial statements of North American Energy Partners Inc. for the three and six months ended September 30, 2010.

2. Management s Discussion and Analysis for the three and six months ended September 30, 2010.

3. Canadian Supplement to Management s Discussion and Analysis for the three and six months ended September 30, 2010.

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SIGNATURES

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

NORTH AMERICAN ENERGY PARTNERS INC.

By:	/s/ DAVID BLACKLEY
Name:	**David Blackley**
Title:	**Chief Financial Officer**

Date: November 2, 2010

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NORTH AMERICAN ENERGY PARTNERS INC.

Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

(Expressed in thousands of Canadian Dollars)

(Unaudited)

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Interim Consolidated Balance Sheets

(Expressed in thousands of Canadian Dollars)

(Unaudited)

	September 30, 2010	March 31, 2010
ASSETS		
Current assets:		
Cash and cash equivalents	$56,180	$103,005
Accounts receivable, net (allowance for doubtful accounts of $236, March 2010 $1,691)	101,525	111,884
Unbilled revenue	137,197	84,702
Inventories (note 5)	4,906	3,047
Prepaid expenses and deposits	10,511	6,881
Deferred tax assets	2,785	3,481
	313,104	313,000
Prepaid expenses and deposits	3,214	4,005
Assets held for sale	2,233	838
Property, plant and equipment (note 6)	331,314	331,355
Investment in and advances to unconsolidated joint venture (note 7)	3,691	2,917
Intangible assets, net (accumulated amortization of $5,850 March 2010 $4,591)	8,433	7,669
Goodwill	25,111	25,111
Deferred financing costs (note 8)	8,398	6,725
Deferred tax assets	44,109	10,997
	$739,607	**$702,617**
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Accounts payable	$106,231	$66,876
Accrued liabilities	33,475	47,191
Billings in excess of costs incurred and estimated earnings on uncompleted contracts	4,024	1,614
Current portion of capital lease obligations	4,416	5,053
Current portion of term facilities (note 9(a))	14,000	6,072
Current portion of derivative financial instruments (note 12)	2,743	22,054
Deferred tax liabilities	31,435	16,781
	196,324	165,641
Long term accrued liabilities	16,625	14,943
Capital lease obligations	6,212	8,340
Deferred lease inducements	707	761
Term facilities (note 9(a))	59,446	22,374
8 $^{3}/4$% senior notes (note 9(b))		203,120
Series 1 debentures (note 9(c))	225,000	
Derivative financial instruments (note 12)	12,790	75,001

Other long term obligations (note 15(a))	7,547	3,578
Asset retirement obligation	377	360
Deferred tax liabilities	42,199	27,441
	567,227	521,559
Shareholders equity:		
Common shares (authorized unlimited number of voting common shares; issued and outstanding September 30, 2010 36,110,436 (March 31, 2010 36,049,276) (note 10(a))	303,927	303,505
Additional paid-in capital	6,279	7,439
Deficit	(137,826)	(129,886)
	172,380	181,058
	$739,607	**$702,617**

Subsequent events (note 19)

See accompanying notes to unaudited interim consolidated financial statements.

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Interim Consolidated Statements of Operations and Comprehensive Income (Loss)

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

(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Revenue	**$234,858**	**$170,702**	**$418,452**	**$317,221**
Project costs	132,440	65,437	209,717	119,699
Equipment costs	46,358	44,359	111,361	90,403
Equipment operating lease expense	18,909	15,684	36,400	28,033
Depreciation	8,054	11,426	16,257	20,150
Gross profit	**29,097**	**33,796**	**44,717**	**58,936**
General and administrative costs	15,286	13,918	29,015	28,894
Loss on disposal of property, plant and equipment	585	260	581	301
(Gain) loss on disposal of assets held for sale	(25)	41	(25)	(276)
Amortization of intangible assets	672	417	1,260	910
Equity in loss of unconsolidated joint venture (note 7)	274	223	517	32
Operating income before the undernoted	**12,305**	**18,937**	**13,369**	**29,075**
Interest expense, net (note 11)	7,708	6,409	15,437	12,961
Foreign exchange loss (gain)	49	(18,045)	(1,648)	(37,481)
Realized and unrealized (gain) loss on derivative financial instruments (note 12)	(1,308)	25,154	1,700	35,175
Loss on debt extinguishment (note 8 and 9(b))			4,346	
Other (income) expense	(9)	(200)	(9)	333
Income (loss) before income taxes	**5,865**	**5,619**	**(6,457)**	**18,087**
Income taxes (benefit) (note 13(c)):				
Current	3,259	1,264	4,487	1,264
Deferred	237	56	(3,004)	2,597
Net income (loss) and comprehensive income (loss) for the period	**2,369**	**4,299**	**(7,940)**	**14,226**
Net income (loss) per share basic (note 10(b))	**$0.07**	**$0.12**	**$(0.22)**	**$0.39**
Net income (loss) per share diluted (note 10(b))	**$0.06**	**$0.12**	**$(0.22)**	**$0.39**

See accompanying notes to unaudited interim consolidated financial statements.

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Interim Consolidated Statements of Changes in Shareholders Equity

(Expressed in thousands of Canadian Dollars)

(Unaudited)

	Common shares	Additional paid-in capital	Deficit	Total
Balance at March 31, 2008	$301,894	$4,351	$(22,701)	$283,544
Net loss			(135,404)	(135,404)
Share option plan		1,888		1,888
Deferred performance share unit plan		61		61
Reclassification on exercise of stock options	834	(834)		
Issued upon exercise of stock options	703			703
Balance at March 31, 2009	$303,431	$5,466	$(158,105)	$150,792
Net income			28,219	28,219
Share option plan		2,135		2,135
Deferred performance share unit plan		123		123
Reclassified to restricted share unit liability		(20)		(20)
Reclassification on exercise of stock options	21	(21)		
Cash settlement of stock options		(244)		(244)
Issued upon exercise of stock options	53			53
Balance at March 31, 2010	$303,505	$7,439	$(129,886)	$181,058
Net loss			(7,940)	(7,940)
Share option plan		757		757
Deferred performance share unit plan		(87)		(87)
Stock award plan		524		524
Reclassification on exercise of stock options	117	(117)		
Issued upon exercise of stock options	305			305
Senior executive stock options plan		(2,237)		(2,237)
Balance at September 30, 2010	$303,927	$6,279	$(137,826)	$172,380

See accompanying notes to unaudited interim consolidated financial statements.

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Interim Consolidated Statements of Cash Flows

(Expressed in thousands of Canadian Dollars)

(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
Cash provided by (used in):	2010	2009	2010	2009
Operating activities:				
Net income (loss) for the period	**$2,369**	**$4,299**	**$(7,940)**	**$14,226**
Items not affecting cash:				
Depreciation	8,054	11,426	16,257	20,150
Equity in loss of unconsolidated joint venture	274	223	517	32
Amortization of intangible assets	672	417	1,260	910
Amortization of deferred lease inducements	(27)	(35)	(54)	(61)
Amortization of deferred financing costs	357	838	883	1,643
Loss on disposal of property, plant and equipment	585	260	581	301
(Gain) loss on disposal of assets held for sale	(25)	41	(25)	(276)
Unrealized foreign exchange gain on 8 3/4% senior notes		(18,060)	(732)	(37,600)
Unrealized (gain) loss on derivative financial instruments measured at fair value	(1,308)	21,290	1,700	27,975
Loss on debt extinguishment			4,346	
Stock-based compensation expense (note 15(a))	2,087	632	2,926	2,449
Accretion of asset retirement obligation	9	(21)	17	(12)
Deferred income taxes (benefit)	237	56	(3,004)	2,597
Net changes in non-cash working capital (note 13(b))	(16,496)	2,364	(4,140)	(16,326)
	(3,212)	**23,730**	**12,592**	**16,008**
Investing activities:				
Acquisition		(4,880)		(4,880)
Purchase of property, plant and equipment	(10,759)	(23,239)	(16,777)	(42,460)
Addition to intangible assets	(1,453)	(316)	(2,024)	(805)
Additions to assets held for sale	(1,703)	(933)	(1,703)	(933)
Investment in and advances to unconsolidated joint venture (note 7)	(750)	(486)	(1,291)	(986)
Proceeds on disposal of property, plant and equipment		558	60	696
Proceeds on disposal of assets held for sale	300	152	300	1,112
Net changes in non-cash working capital (note 13(b))	(1,252)	3,919	(4,020)	2,647
	(15,617)	**(25,225)**	**(25,455)**	**(45,609)**
Financing activities:				
Repayment of term facilities	(2,500)	(652)	(5,000)	(652)
Increase in term facilities		21,200	50,000	33,000
Financing costs (note 9(a) and 9(c))	(216)	(8)	(7,920)	(1,123)
Redemption of 8 3/4% senior notes (note 9(b))			(202,410)	
Issuance of series 1 debentures (note 9(c))			225,000	
Settlement of swap liabilities (note 12)			(91,125)	

Cash settlement of stock options		(66)		(66)
Proceeds from stock options exercised	241		305	
Repayment of capital lease obligations	(1,384)	(1,477)	(2,812)	(2,947)
	(3,859)	**18,997**	**(33,962)**	**28,212**
(Decrease) increase in cash and cash equivalents	**(22,688)**	**17,502**	**(46,825)**	**(1,389)**
Cash and cash equivalents, beginning of period	78,868	79,989	103,005	98,880
Cash and cash equivalents, end of period	**$56,180**	**$97,491**	**$56,180**	**$97,491**

Supplemental cash flow information (note 13(a))

See accompanying notes to unaudited interim consolidated financial statements.

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Notes to Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

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

(Unaudited)

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 heavy construction, industrial and commercial site development and pipeline and piling installations in Canada.

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 items that give rise to measurement differences to the consolidated financial statements under Canadian GAAP are outlined in note 20.

3. United States accounting pronouncements recently adopted

i) Improvements to financial reporting by enterprises involved with variable interest entities

In December 2009, the FASB issued ASU No. 2009-17, Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities , which amends ASC 810, Consolidation . The amendments give guidance and clarification of how to determine when a reporting entity should include the assets, liabilities, non-controlling interests and results of activities of a variable interest entity in its consolidated financial statements. The Company adopted this ASU effective April 1, 2010. The adoption of this standard did not have a material effect on the Company s interim consolidated financial statements.

ii) Embedded credit derivatives

In March 2010, the FASB issued ASU No. 2010-11, Scope Exception Related to Embedded Credit Derivatives , which clarifies that financial instruments that contain embedded credit-derivative features related only to the transfer of credit risk in the form of subordination of one instrument to another are not subject to bifurcation and separate accounting. The scope exception only applies to an embedded derivative feature that relates to subordination between tranches of debt issued by an entity and other features that relate to another type of risk must be evaluated for separation as an embedded derivative. The Company adopted this ASU effective July 1, 2010. The adoption of this standard did not have a material effect on the Company s interim consolidated financial statements.

4. Recent United States accounting pronouncements not yet adopted

i) Revenue recognition

In October 2009, the FASB issued ASU No. 2009-13, Revenue Recognition: Multiple-Deliverable Revenue Arrangements , which addresses the accounting for multiple-deliverable arrangements to enable vendors to account for products or services separately rather than as a combined unit. The amendments establish a selling price hierarchy for determining the selling price of a deliverable. The amendments also eliminate the residual method of allocation and require that arrangement consideration be allocated at the inception of the arrangement to all deliverables using the relative selling price method. For the Company, this ASU is effective prospectively for revenue arrangements entered into or materially modified on or after April 1, 2011. The Company is currently evaluating the effect of this ASU on its consolidated financial statements.

ii) Share based payment awards

In April 2010, the FASB issued ASU No. 2010-13, Effect of Denominating the Exercise Price of a Share-Based Payment Award in the Currency of the Market in Which the Underlying Equity Security Trades , which clarifies that an employee share-based payment award with an exercise price denominated in the currency of a market in which a substantial portion of the entity s equity securities trades should not be considered to contain a condition that is not a market, performance, or service condition. Therefore, an entity would not classify such an award as a liability if it otherwise qualifies as equity. This ASU will amend ASC 718, Compensation Stock Compensation and it is effective for the Company beginning on April 1, 2011. The Company is currently evaluating the effect of this ASU on its consolidated financial statements.

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Notes to Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

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

(Unaudited)

5. Inventories

	September 30, 2010	March 31, 2010
Spare tires	$3,727	$1,868
Job materials	1,179	1,179
	$4,906	$3,047

6. Property, plant and equipment

September 30, 2010	Cost	Accumulated Deprecation	Net Book Value
Heavy equipment	$342,742	$103,042	$239,700
Major component parts in use	43,499	10,660	32,839
Other equipment	29,043	12,484	16,559
Licensed motor vehicles	18,142	12,844	5,298
Office and computer equipment	10,983	4,630	6,353
Buildings	21,657	7,574	14,083
Land	281		281
Leasehold improvements	9,311	3,255	6,056
Assets under capital lease	22,492	12,347	10,145
	$498,150	$166,836	$331,314

March 31, 2010	Cost	Accumulated Deprecation	Net Book Value
Heavy equipment	$339,312	$95,473	$243,839
Major component parts in use	36,064	8,297	27,767
Other equipment	25,666	10,910	14,756
Licensed motor vehicles	16,296	10,692	5,604
Office and computer equipment	9,746	3,786	5,960
Buildings	21,710	6,832	14,878
Land	281		281

Leasehold improvements	9,314	2,960	6,354
Assets under capital lease	24,304	12,388	11,916
	$482,693	$151,338	$331,355

Assets under capital lease are comprised predominately of licensed motor vehicles.

During the three and six months ended September 30, 2010, additions to property, plant and equipment included $nil and $47 respectively, of assets that were acquired by means of capital leases (three and six months ended September 30, 2009 $33 and $656 respectively). Depreciation of equipment under capital lease of $710 and $1,418 for the three and six months ended September 30, 2010, respectively, was included in depreciation expense (three and six months ended September 30, 2009 $978 and $2,137 respectively).

7. Investment in and advances to unconsolidated joint venture

The Company is engaged in a joint venture, Noramac Joint Venture (JV), of which the Company has joint control (50% proportionate interest) of the entity. The JV was formed for the purpose of expanding the Company s market opportunities and establishing strategic alliances in Northern Alberta. The Company owns a 49% interest in Noramac Ventures Inc., a nominee company established by the two joint venture partners.

As of September 30, 2010, the Company s investment in and advances to the unconsolidated joint venture totalled $3,691 (March 31, 2010 $2,917). The condensed financial data for investment in and advances to unconsolidated joint venture is summarized as follows:

	September 30, 2010	March 31, 2010
Current assets	$9,078	$8,952
Long term assets	1,311	153
Current liabilities	3,009	3,271
Long term liabilities	8,520	5,940

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Notes to Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

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

(Unaudited)

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Gross revenues	$1,652	$816	$5,998	$2,068
Gross profit	443	(228)	802	379
Net loss	(547)	(445)	(1,033)	(63)
Equity in loss of unconsolidated joint venture	$(274)	$(223)	$(517)	$(32)

8. Deferred financing costs

September 30, 2010	Cost	Accumulated Amortization	Net Book Value
8 3/4% senior notes	$16,521	$16,521	$
Term & Revolving Facilities	5,362	3,499	1,863
Series 1 Debentures	6,886	351	6,535
	$28,769	$20,371	$8,398

March 31, 2010	Cost	Accumulated Amortization	Net Book Value
8 3/4% senior notes	$16,521	$12,014	$4,507
Term & Revolving Facilities	4,328	3,150	1,178
Series 1 Debentures	1,040		1,040
	$21,889	$15,164	$6,725

Amortization of deferred financing costs of $357 and $883 respectively, was included in interest expense for the three and six months ended September 30, 2010 (three and six months ended September 30, 2009 $838 and $1,643 respectively).

Upon redemption of the 8 3/4% senior notes on April 28, 2010, the unamortized deferred financing costs related to the 8 3/4% senior notes of $4,324 were expensed and included in the loss on debt extinguishment (note 9(b)). In addition, $183 related to amortization of deferred financing costs incurred up to the redemption date was included in interest expense.

9. Long term debt

a) Credit Facilities

	September 30, 2010	March 31, 2010
Term A Facility	$26,572	$28,446
Term B Facility	46,874	
Total term facilities	$73,446	$28,446
Less: current portion	(14,000)	(6,072)
	$59,446	$22,374

On April 30, 2010, the Company entered into an amended and restated credit agreement to extend the term of the credit facilities and increase the amount of the term loans. These facilities mature on April 30, 2013.

The new credit facilities include an $85.0 million Revolving Facility (previously $90.0 million), a $28.4 million Term A Facility and a $50.0 million Term B Facility. Advances under the Revolving Facility may be repaid from time to time at the Company s option. The term facilities include scheduled repayments totalling $10.0 million per year with $2.5 million paid on the last day of each quarter commencing June 30, 2010. In addition, the Company must make annual payments within 120 days of the end of its fiscal year in the amount of 50% of Consolidated Excess Cash Flow (as defined in the credit agreement) to a maximum of $4.0 million. As at September 30, 2010, the Company anticipates making the maximum payment of $4.0 million in July 2011.

As of September 30, 2010, the Company had outstanding borrowings of $73.4 million (March 31, 2010 $28.4 million) under the term facilities, $nil under the Revolving Facility and had issued $16.3 million (March 31, 2010 $10.4 million) in letters of credit under the Revolving Facility to support performance guarantees associated with customer contracts. The funds available for borrowing under the Revolving Facility are reduced by any outstanding letters of credit. The Company s unused borrowing availability under the credit facility was $68.7 million at September 30, 2010.

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Notes to Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

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

(Unaudited)

During the three and six months ended September 30, 2010, financing fees of $nil and $1,034 respectively were incurred in connection with the modifications made to the amended and restated credit agreement. These fees have been recorded as deferred financing costs and are being amortized using the effective interest method over the term of the credit agreement (note 8).

Interest on Canadian prime rate loans is paid at variable rates based on the Canadian prime rate plus the applicable pricing margin (as defined in the credit agreement). Interest on US base rate loans is paid at a rate per annum equal to the US base rate plus the applicable pricing margin. Interest on Canadian prime rate and US base rate loans is payable monthly in arrears and computed on the basis of a 365 day or 366 day year, as the case may be. Interest on LIBOR loans is paid during each interest period at a rate per annum, calculated on a 360 day year, equal to the LIBOR rate with respect to such interest period plus the applicable pricing margin. Stamping fees and interest related to the issuance of Bankers Acceptances is paid in advance upon the issuance of such Bankers Acceptance.

The credit facilities are secured by a first priority lien on substantially all of the Company s existing and after-acquired property and contain certain restrictive covenants including, but not limited to, incurring additional debt, transferring or selling assets, making investments including acquisitions, paying dividends or redeeming shares of capital stock. The Company is also required to meet certain financial covenants under the credit agreement and was in compliance with these covenants at September 30, 2010.

b) 8 3/4% Senior Notes

	September 30, 2010	March 31, 2010
8 3/4% senior unsecured notes due 2011 ($US)	$	$200,000
Unrealized foreign exchange		3,120
	$	$203,120

On April 28, 2010, the Company redeemed the 8 3/4% senior notes for $202,410 and recorded a $4,346 loss on debt extinguishment including a $4,324 write off of deferred financing costs (note 8).

c) Series 1 Debentures

On April 7, 2010, the Company issued $225.0 million of 9.125% Series 1 Debentures (the Series 1 Debentures). The Series 1 Debentures mature on April 7, 2017. The Series 1 Debentures bear interest at 9.125% per annum and such interest is payable in equal instalments semi-annually in arrears on April 7 and October 7 in each year, commencing on October 7, 2010.

The Series 1 Debentures are unsecured senior obligations and rank equally with all other existing and future unsecured senior debt and senior to any subordinated debt that may be issued by the Company or any of its subsidiaries. The Series 1 Debentures are effectively subordinated to all secured debt to the extent of collateral on such debt.

At any time prior to April 7, 2013, the Company may redeem up to 35% of the aggregate principal amount of the Series 1 Debentures with the net cash proceeds of one or more public equity offerings at a redemption price equal to 109.125% of the principal amount, plus accrued and unpaid interest to the date of redemption, so long as:

i) at least 65% of the original aggregate amount of the Series 1 Debentures remains outstanding after each redemption; and

ii) any redemption by the Company is made within 90 days of the equity offering.

At any time prior to April 7, 2013, the Company may on one or more occasions redeem the Series 1 Debentures, in whole or in part, at a redemption price which is equal to the greater of (a) the Canada Yield Price (as defined in the trust indenture) and (b) 100% of the aggregate principal amount of Series 1 Debentures redeemed, plus, in each case, accrued and unpaid interest to the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on the relevant interest payment date).

The Series 1 Debentures are redeemable at the option of the Company, in whole or in part, at any time on or after: April 7, 2013 at 104.563% of the principal amount; April 7, 2014 at 103.042% of the principal amount; April 7, 2015 at 101.520% of the principal amount; April 7, 2016 and thereafter at 100% of the principal amount; plus, in each case, interest accrued to the redemption date.

If a change of control occurs, the Company will be required to offer to purchase all or a portion of each debenture holder s Series 1 Debentures, at a purchase price in cash equal to 101% of the principal amount of the Series 1 Debentures offered for repurchase plus accrued interest to the date of purchase.

During the three and six months ended September 30, 2010, financing fees of $216 and $5,846 respectively were incurred in connection with the issuance of the Series 1 Debentures in addition to $1,040 that was incurred in March 2010. These fees have been recorded as deferred financing costs and are being amortized using the effective interest method over the term of the Series 1 Debentures (note 8).

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Notes to Interim Consolidated Financial Statements

For the three and six months ended September 30, 2010

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

(Unaudited)

10. Shares

a) Common shares

Authorized:

Unlimited number of voting common shares

Unlimited number of non-voting common shares

Issued and outstanding:

	Number of Shares	Amount
Voting common shares		
Issued and outstanding at March 31, 2010	36,049,276	$303,505
Issued upon exercise of options	61,160	305
Transferred from additional paid-in capital on exercise of stock options		117
Issued and outstanding at September 30, 2010	36,110,436	$303,927

b) Net income (loss) per share

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Net income (loss) available to common shareholders	$2,369	$4,299	$(7,940)	$14,226
Weighted average number of common shares	36,071,972	36,038,476	36,064,522	36,038,476
Basic net income (loss) per share	$0.07	$0.12	$(0.22)	$0.39
Net income (loss) available to common shareholders	$2,369	$4,299	$(7,940)	$14,226
Weighted average number of common shares	36,071,972	36,038,476	36,064,522	36,038,476
Dilutive effect of stock options and deferred performance share units	577,682	668,955		615,232

Weighted average number of diluted common shares	36,649,654	36,707,431	36,064,522	36,653,708
Diluted net income (loss) per share	$0.06	$0.12	$(0.22)	$0.39

For the three and six months ended September 30, 2010, there were 865,400 and 701,507, respectively, stock options which were anti-dilutive and therefore were not considered in computing diluted earnings per share (three and six months ended September 30, 2009 922,126 and 859,783, respectively, stock options and deferred performance share units).

11. Interest expense

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Interest on 8 $^{3}/4$% senior notes and swaps	$	$4,737	$1,238	$9,881
Interest on capital lease obligations	182	270	390	561
Amortization of deferred financing costs	357	838	883	1,643
Interest on term facilities	1,298	197	2,264	492
Interest on Series 1 Debentures	5,133		9,867	
Interest on long term debt	$6,970	$6,042	$14,642	$12,577
Other interest	738	367	795	384
	$7,708	$6,409	$15,437	$12,961

12. Financial instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing on each reporting date. Counterparty confirmations and standard market conventions and techniques, such as discounted cash flow analysis and option pricing models, are used to determine the fair value of the Company s financial instruments, including derivatives. All methods of fair value measurement result in a general approximation of value and such value may never actually be realized.

The fair values of the Company s cash and cash equivalents, accounts receivable, unbilled revenue, accounts payable and accrued liabilities approximate their carrying amounts due to the relatively short periods to maturity for the instruments.

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The fair values of amounts due under the Term Facilities are based on management estimates which are determined by discounting cash flows required under the instruments at the interest rate currently estimated to be available for instruments with similar terms. Based on these estimates and by using the outstanding balance of $73.4 million at September 30, 2010 and $28.4 million at March 31, 2010, the fair value of amounts due under the Term Facilities as at September 30, 2010 and March 31, 2010 are not significantly different than their carrying value.

Financial instruments with carrying amounts that differ from their fair values are as follows:

	September 30, 2010		March 31, 2010	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
8 3/4% senior notes (i)	$	$	$203,120	$203,526
Capital lease obligations (ii)	10,628	10,628	13,393	13,291
Series 1 Debentures (iii)	225,000	233,680		

(i) The US Dollar denominated 8 3/4% senior notes were redeemed during the three months ended June 30, 2010. The fair value of the 8 3/4% senior notes on March 31, 2010 was based upon the period end closing market price translated into Canadian Dollars at period end exchange rates as at March 31, 2010. Expected discounted cash flows were not included in the fair value calculation.

(ii) The fair values of amounts due under capital leases are based on management estimates which are determined by discounting cash flows required under the instruments at the interest rates currently estimated to be available for instruments with similar terms.

(iii) The fair value of the Series 1 Debentures is based upon the expected discounted cash flows and the period end market price of similar financial instruments.

Fair value hierarchy of financial instruments

The Company has segregated all financial assets and financial liabilities that are measured at fair value on a recurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date.

The fair values of the Company s embedded derivatives are based on appropriate price modeling commonly used by market participants to estimate fair value. Such modeling includes option pricing models and discounted cash flow analysis, using observable market based inputs including foreign currency rates and discount factors to estimate fair value. The Company considers its own credit risk or the credit risk of the counterparty in determining fair value, depending on whether the fair values are in an asset or liability position. Fair value determined using valuation models requires the use of assumptions concerning the amount and timing of future cash flows. Fair value amounts reflect management s best estimates using external, readily observable, market data such as future prices, interest rate yield curves, foreign exchange rates and discount rates for time value. It is possible that the assumptions used in establishing fair value amounts will differ from future outcomes and the effect of such variations could be material.

At September 30, 2010, the Company had no financial assets or financial liabilities measured at fair value on a recurring basis which were classified as Level 1 or Level 3 under the fair value hierarchy. Since the Company primarily uses observable inputs of similar instruments and discounted cash flows in its valuation of its derivative financial instruments, these fair value measurements are classified as Level 2 of the fair value hierarchy. Financial assets and liabilities measured at fair value net of accrued interest on a recurring basis, all of which are classified as Derivative financial instruments on the Interim Consolidated Balance Sheets are summarized below:

September 30, 2010	Carrying Value
Embedded price escalation features in a long term customer construction contract	$6,080
Embedded price escalation features in certain long term supplier contracts	9,453
	$15,533
Less: current portion	(2,743)
	$12,790

March 31, 2010	Carrying Value
Cross-currency swaps for US dollar 8 $^{3}/4$% senior notes	$66,268
Interest rate swaps for US dollar 8 $^{3}/4$% senior notes	14,843
Cross-currency and interest rate swaps for US dollar 8 $^{3}/4$% senior notes	$81,111
Embedded price escalation features in a long term customer construction contract	6,481
Embedded price escalation features in certain long term supplier contracts	9,463
	$97,055
Less: current portion	(22,054)
	$75,001

On April 8, 2010, the Company settled the cross-currency and interest rate swaps, including accrued interest for a total of $91,125 in conjunction with the settlement of the 8 $^{3}/4$% senior notes (note 9(b)).

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Assets held for sale are re-measured at fair value on a non-recurring basis. Assets held for sale with a carrying amount of $2,266 were written down to their fair value of $2,233, resulting in a loss of $33, which was included in depreciation expense in the Consolidated Statements of Operations and Comprehensive Income for the three and six months ended September 30, 2010. The fair value of the assets held for sale is determined internally by analyzing recent auction prices for equipment with similar specifications and hours used, the net book value, the residual value of the asset and the useful life of the asset. The inputs to estimate the fair value of the assets held for sale are classified under Level 3 of the fair value hierarchy.

The realized and unrealized (gain) loss on derivative financial instruments is comprised as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Realized and unrealized loss on cross-currency and interest rate swaps	$	$22,847	$2,111	$46,018
Unrealized loss (gain) on embedded price escalation features in a long term customer construction contract	348	2,986	(402)	6,273
Unrealized (gain) loss on embedded price escalation features in certain long term supplier contracts	(1,656)	460	(9)	(13,704)
Unrealized gain on early redemption option on 8 $^{3}/4$% senior notes		(1,139)		(3,412)
	$(1,308)	$25,154	$1,700	$35,175

13. Other information

a) Supplemental cash flow information

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Cash paid during the period for:				
Interest	$3,235	$5,573	$20,055	$25,241
Income taxes	571	1,545	1,172	7,608
Cash received during the period for:				
Interest	338	2,780	1,105	6,140
Income taxes	17		17	
Non-cash transactions:				

Acquisition of property, plant and equipment by means of capital leases	33	47	656
Lease inducements	195		195

b) Net change in non-cash working capital

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Operating activities:				
Accounts receivable, net	$(11,600)	$(12,755)	$10,359	$(4,470)
Unbilled revenue	(46,913)	(9,060)	(52,495)	(11,547)
Inventories	2,867	(2,303)	(1,859)	1,794
Prepaid expenses and deposits	592	1,467	(2,839)	(1,282)
Accounts payable	35,636	14,449	43,375	9,343
Accrued liabilities	657	5,869	(4,773)	(15,042)
Long term accrued liabilities	1,308	2,569	1,682	2,836
Billings in excess of costs incurred and estimated earnings on uncompleted contracts	957	2,128	2,410	2,042
	$(16,496)	$2,364	$(4,140)	$(16,326)
Investing activities:				
Accounts payable	$(1,252)	$3,919	$(4,020)	$2,647

c) Income taxes

Income tax expense as a percentage of income before income taxes for the three and six months ended September 30, 2010 differs from the statutory rate of 27.77% primarily due to the effect of changes in enacted tax rates and the benefit from changes in the timing of the reversal of temporary differences. Additionally, this ratio was impacted by CRA audit adjustments from 2007 and 2008 which are included in the current and deferred income tax accounts. Income tax

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expense as a percentage of income before income taxes for the three and six months ended September 30, 2009 differed from the statutory rate of 28.91% primarily due to the effect of changes in enacted tax rates and the benefit from changes in the timing of the reversal of temporary differences.

14. Segmented information

a) General overview

The Company operates in the following reportable business segments, which follow the organization, management and reporting structure within the Company:

Heavy Construction and Mining:
The Heavy Construction and Mining segment provides mining and site preparation services, including overburden removal and reclamation services, project management, underground utility construction, equipment rental to a variety of customers, environmental services including construction and modification of tailing ponds and reclamation of completed mine sites to environmental standards throughout Canada.

Piling:
The Piling segment provides deep foundation construction and design build services to a variety of industrial and commercial customers throughout Western Canada and Ontario.

Pipeline:
The Pipeline segment provides both small and large diameter pipeline construction and installation services as well as equipment rental to energy and industrial clients throughout Western Canada.

The accounting policies of the reportable operating segments are the same as those described in the significant accounting policies in note 3 of the annual consolidated financial statements of the Company for the year ended March 31, 2010. Certain business units of the Company have been aggregated into the Heavy Construction and Mining segment as they have similar economic characteristics. These business units are considered to have similar economic characteristics based on similarities in the nature of the services provided, the customer base and the resources used to provide these services.

b) Results by business segment

Three Months Ended September 30, 2010	Heavy Construction and Mining	Piling	Pipeline	Total
Revenues from external customers	$171,628	$26,563	$36,667	$234,858
Depreciation of property, plant and equipment	6,042	714	164	6,920
Segment profits	22,234	4,782	879	27,895
Capital expenditures	9,661	563	1,171	11,395

Three Months Ended September 30, 2009	Heavy Construction and Mining	Piling	Pipeline	Total
Revenues from external customers	$154,055	$15,058	$1,589	$170,702
Depreciation of property, plant and equipment	9,199	845	25	10,069
Segment profits	21,922	1,950	(137)	23,735
Capital expenditures	19,382			19,382

Six Months Ended September 30, 2010	Heavy Construction and Mining	Piling	Pipeline	Total
Revenues from external customers	$335,237	$45,709	$37,506	$418,452
Depreciation of property, plant and equipment	11,851	1,353	184	13,388
Segment profits	44,481	6,176	156	50,813
Capital expenditures	12,790	1,756	1,519	16,065

Six Months Ended September 30, 2009	Heavy Construction and Mining	Piling	Pipeline	Total
Revenues from external customers	$285,881	$29,676	$1,664	$317,221
Depreciation of property, plant and equipment	15,921	1,407	247	17,575
Segment profits	45,437	4,634	229	50,300
Capital expenditures	36,054	2		36,056

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September 30, 2010	Heavy Construction and Mining	Piling	Pipeline	Total
Segment assets	$425,380	$100,853	$50,228	$576,461

March 31, 2010	Heavy Construction and Mining	Piling	Pipeline	Total
Segment assets	$435,098	$92,980	$14,765	$542,843

c) Reconciliations

i) Income (loss) before income taxes

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Total profit for reportable segments	$27,895	$23,735	$50,813	$50,300
Less: unallocated corporate expenses				
General and administrative costs	15,286	13,918	29,015	28,894
Loss on disposal of property, plant and equipment	585	260	581	301
(Gain) loss on disposal of assets held for sale	(25)	41	(25)	(276)
Amortization of intangible assets	672	417	1,260	910
Equity in loss of unconsolidated joint venture	274	223	517	32
Interest expense, net	7,708	6,409	15,437	12,961
Foreign exchange loss (gain)	49	(18,045)	(1,648)	(37,481)
Realized and unrealized (gain) loss on derivative financial instruments	(1,308)	25,154	1,700	35,175
Loss on debt extinguishment			4,346	
Other (income) expense	(9)	(200)	(9)	333
Unallocated equipment (recoveries) costs[i]	(1,202)	(10,061)	6,096	(8,636)
Income (loss) before income taxes	$5,865	$5,619	$(6,457)	$18,087

(i) Unallocated equipment costs represent actual equipment costs, including non-cash items such as depreciation, which have not been allocated to reportable segments. Unallocated equipment recoveries arise when actual equipment costs charged to the reportable segment exceed actual equipment costs incurred.

ii) Total assets

	September 30, 2010	March 31, 2010
Corporate assets:		
Cash and cash equivalents	$56,180	$103,005
Property, plant and equipment	23,413	17,883
Deferred income taxes	46,894	14,478
Other	36,659	24,408
Total corporate assets	$163,146	$159,774
Total assets for reportable segments	576,461	542,843
Total assets	$739,607	$702,617

The Company s goodwill of $25,111 is assigned to the Piling segment. All of the Company s assets are located in Canada.

iii) Depreciation of property, plant and equipment

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Total depreciation for reportable segments	$6,920	$10,069	$13,388	$17,575
Depreciation for corporate assets	1,134	1,357	2,869	2,575
Total depreciation	$8,054	$11,426	$16,257	$20,150

iv) Capital expenditures for property, plant and equipment

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Total capital expenditures for reportable segments	$11,395	$19,382	$16,065	$36,056
Capital expenditures for corporate assets	817	4,173	2,736	7,209
Total capital expenditures	$12,212	$23,555	$18,801	$43,265

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d) Customers

The following customers accounted for 10% or more of total revenues:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Customer A	32%	13%	32%	16%
Customer B	28%	55%	34%	55%
Customer C	7%	12%	7%	11%

The revenue by major customer was earned in Heavy Construction and Mining and Piling segments.

15. Stock-based compensation plan

a) Stock-based compensation

Stock-based compensation expenses included in general and administrative costs are as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Share option plan (b)	$352	$425	$757	$1,354
Senior executive stock option plan (c)	1,245		1,245	
Deferred performance share unit plan (d)	(92)	64	(87)	278
Restricted share unit plan (e)	113		416	
Director s deferred stock unit plan (f)	(55)	143	71	817
Stock award plan (g)	524		524	
	$2,087	$632	$2,926	$2,449

Stock-based compensation liability included in Other long-term obligations are as follows:

	September 30, 2010	March 31, 2010
Senior executive stock option plan (c)	$3,482	$
Restricted share unit plan (e)	1,446	1,030
Director s deferred stock unit plan (f)	2,619	2,548
	$7,547	$3,578

b) Share option plan

Under the 2004 Amended and Restated Share Option Plan, directors, officers, employees and certain service providers to the Company are eligible to receive stock options to acquire voting common shares in the Company. Each stock option provides the right to acquire one common share in the Company and expires ten years from the grant date or on termination of employment. Options may be exercised at a price determined at the time the option is awarded, and vest as follows: no options vest on the award date and twenty percent vest on each subsequent anniversary date.

	Three Months Ended September 30,			
	2010		2009	
	Number of options	Weighted average exercise price ($ per share)	Number of options	Weighted average exercise price ($ per share)
Outstanding, beginning of period	2,237,244	7.85	2,181,504	7.64
Granted	60,000	8.58		
Exercised[(i)]	(48,400)	(4.98)		
Forfeited	(12,800)	(9.11)	(26,880)	(9.09)
Modified[(ii)]	(550,000)	(5.00)		
Outstanding, end of period	1,686,044	8.88	2,154,624	7.62

(i) All stock options exercised resulted in new common shares being issued.

(ii) 550,000 options were modified as senior executive stock options on September 22, 2010 (note 15(c)).

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	Six Months Ended September 30,			
	2010		2009	
	Number of options	Weighted average exercise price ($ per share)	Number of options	Weighted average exercise price ($ per share)
Outstanding, beginning of period	2,250,804	7.84	2,071,884	7.53
Granted	60,000	8.58	160,000	8.28
Exercised[(i)]	(61,160)	(4.98)		
Options settled for cash			(40,000)	(5.00)
Forfeited	(13,600)	(9.37)	(37,260)	(8.37)
Modified[(ii)]	(550,000)	(5.00)		
Outstanding, end of period	1,686,044	8.88	2,154,624	7.62

(i) All stock options exercised resulted in new common shares being issued.
(ii) 550,000 options were modified as senior executive stock options on September 22, 2010 (note 15(c)).

At September 30, 2010, the weighted average remaining contractual life of outstanding options is 6.8 years (March 31, 2010 6.6 years). At September 30, 2010, the Company had 824,300 exercisable options (March 31, 2010 1,244,908) with a weighted average exercise price of $7.73 (March 31, 2010 $6.46).

The fair value of each option granted by the Company was estimated on the grant date using the Black-Scholes option pricing model with the following assumptions:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Number of options granted	60,000		60,000	160,000
Weighted average fair value per option granted ($)	5.91		5.91	5.89
Weighted average assumptions:				
Dividend yield	Nil%		Nil%	Nil%
Expected volatility	78.67%		78.67%	77.47%
Risk-free interest rate	2.23%		2.23%	3.44%
Expected life (years)	6.06		6.06	6.5

c) Senior executive stock option plan

On September 22, 2010, the Company modified a senior executive employment agreement to allow the option holder the right to settle options in cash which resulted in 550,000 stock options (senior executive stock options) changing classification from equity to a long term liability. The Company classifies senior executive stock options as a liability. The liability is measured at fair value using the Black-Scholes model at the modification date and subsequently at each period end date. Previously recognized compensation cost related to the senior executive stock option plan of $2,237 was transferred from additional paid-in capital to the senior executive stock option liability on the modification date. Incremental compensation cost of $1,245 was recognized (note 15(a)) for the three and six months ended September 30, 2010. Changes in fair value of the liability are recognized in the Consolidated Statements of Operations and Comprehensive Income (Loss).

The weighted average assumptions used in estimating the fair value of the senior executive stock options as at September 30, 2010 are as follows:

	Three and Six Months Ended September 30 2010,
Number of senior executive stock options modified	550,000
Weighted average fair value per option granted ($)	6.33
Weighted average assumptions:	
Dividend yield	Nil%
Expected volatility	84.97%
Risk-free interest rate	2.14%

d) Deferred performance share unit plan

Deferred Performance Share Units (DPSUs) are granted each fiscal year with respect of services to be provided in that fiscal year and the following two fiscal years. The DPSUs vest at the end of a three-year term and are subject to the performance criteria approved by the Compensation Committee of the Board of Directors at the date of grant. Such performance criterion includes the passage of time and is based upon return on invested capital calculated as operating income divided by average operating assets. The date of the third fiscal year-end following the date of the grant of

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DPSUs is the maturity date for such DPSUs. At the maturity date, the Compensation Committee assesses the participant against the performance criteria and determines the number of DPSUs that have been earned (earned DPSUs).

The settlement of the participant s entitlement is made at the Company s option either in cash in an amount equivalent to the number of earned DPSUs multiplied by the value of the Company s common shares at the date of maturity or in a number of common shares equal to the number of earned DPSUs. If settled in common shares, the common shares are purchased on the open market or through the issuance of shares from treasury.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Outstanding, beginning of period	504,001	820,795	507,295	91,005
Granted				748,791
Exercised				
Forfeited	(12,013)	(12,894)	(15,307)	(31,895)
Outstanding, end of period	491,988	807,901	491,988	807,901

The weighted average exercise price per unit is $nil.

At September 30, 2010, the weighted average remaining contractual life of outstanding DPSU Plan units is 1.71 years (March 31, 2010 2.2 years). Compensation expense was based upon management s assessment of performance against return on invested capital targets and the ultimate number of units expected to be issued. As at September 30, 2010, there was approximately $385 of total unrecognized compensation cost related to non-vested share-based payment arrangements under the DPSU Plan (September 30, 2009 $1,050), which is expected to be recognized over a weighted average period of 1.71 years and is subject to performance adjustments.

e) Restricted share unit plan

Restricted Share Units (RSUs) are granted each fiscal year with respect to services to be provided in that fiscal year and the following two fiscal years. The RSUs vest at the end of a three-year term. The Company classifies RSUs as a liability as the Company has the ability and intent to settle the awards in cash.

Compensation expense is calculated based on the weighted average number of vested shares multiplied by the fair value of each RSU as determined by the closing value of the Company s common shares on each period end date. The Company recognizes compensation expense over the vesting period of the RSU term.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Outstanding, beginning of period	453,251		468,815	
Granted				
Exercised				
Forfeited	(19,704)		(35,268)	
Outstanding, end of period	433,547		433,547	

At September 30, 2010, the redemption value of these units was $8.37/unit (March 31, 2010 $9.68/unit).

Using the redemption value of $8.37/unit at September 30, 2010, there was approximately $2,183 of total unrecognized compensation cost related to non-vested share-based payment arrangements under the RSU Plan and these costs are expected to be recognized over the weighted average remaining contractual life of the RSUs of 1.8 years (March 31, 2010   2.3 years).

f) Director s deferred stock unit plan

Under the Directors   Deferred Stock Unit (DDSU) Plan, non-officer directors of the Company receive 50% of their annual fixed remuneration (which is included in general and administrative costs) in the form of DDSUs and may elect to receive all or a part of their annual fixed remuneration in excess of 50% in the form of DDSUs. The number of DDSUs to be credited to the participants deferred unit account is determined by dividing the amount of the participant s deferred remuneration by the Canadian Dollar equivalent of the Company s weighted average share price of the last five trading days on the New York Stock Exchange at the end of the period. The DDSUs vest immediately upon grant and are only redeemable upon death or retirement of the participant for cash determined by the market price of the Company s common shares for the five trading days immediately preceding death or retirement. Directors, who are not US

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taxpayers, may elect to defer the maturity date until a date no later than December 1st of the calendar year following the year in which the actual maturity date occurred.

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Outstanding, beginning of period	284,155	173,008	263,266	139,691
Granted	22,564	36,706	43,453	70,023
Outstanding, end of period	306,719	209,714	306,719	209,714

At September 30, 2010, the redemption value of these units was $8.54/unit (March 31, 2010 $9.68/unit).

g) Stock award plan

On September 24, 2009, the Chief Executive Officer s (CEO) employment agreement was extended by the Board of Directors for a further period of two years, to May 8, 2012. In addition to the existing conditions in his employment agreement, the CEO was awarded the right to receive 150,000 common shares of the Company as follows:

- 50,000 shares on May 8, 2011;
- 50,000 shares on November 8, 2011; and
- 50,000 shares on May 8, 2012.

These shares will be awarded to the CEO provided he remains employed on the award dates above. As of September 24, 2010, the effective date, the CEO will be granted a right to receive 150,000 common shares of the Company or at the discretion of the Company, the cash equivalent thereof.

The CEO s entitlement, upon the above release dates, shall be settled in common shares purchased on the open market or through the issuance of common shares from treasury, in each case net of required withholdings. The CEO s entitlement may be settled with newly issued common shares from treasury, if all necessary shareholder approvals and regulatory approvals, if any, are obtained. The Company has no intention to settle in cash.

The estimate of the fair value of the stock award on the grant date was determined using the Black-Scholes option pricing model and the weighted average assumptions used in estimating the fair value of the stock awards are as follows:

	Three Months Ended September 30,		Six Months Ended September 30,	
	2010	2009	2010	2009
Number of stock awards granted		150,000		150,000
Weighted average fair value per award granted ($)		7.00		7.00
Weighted average assumptions:				
Dividend yield		Nil%		Nil%
Expected volatility		117.72%		