

NORTH AMERICAN ENERGY PARTNERS INC.
TREASURY OFFERING OF CONVERTIBLE UNSECURED SUBORDINATED DEBENTURES
FEBRUARY 22, 2017

The Debentures will be offered by way of a short form prospectus in all of the provinces and territories of Canada, except Quebec. A preliminary short form prospectus containing important information relating to the Debentures has not yet been filed with the applicable Canadian securities regulatory authorities. A copy of the preliminary short form prospectus is required to be delivered to any investor that received this term sheet and expressed an interest in acquiring the Debentures. There will not be any sale or any acceptance of an offer to buy the Debentures until a receipt for the final short form prospectus has been issued. This term sheet does not provide full disclosure of all material facts relating to the Debentures. Investors should read the preliminary short form prospectus, final short form prospectus and any amendment, for disclosure of those facts, especially risk factors relating to the Debentures, before making an investment decision.

Issuer:	North American Energy Partners Inc. ("NOA" or the "Company").
Issue:	Treasury offering (the "Offering") of Convertible Unsecured Subordinated Debentures (collectively, the "Debentures").
Issue Amount:	\$40,000,000.
Issue Price:	\$1,000 per Debenture.
Over-Allotment Option:	The underwriters shall have the option, exercisable up to 30 days after the Closing Date, to acquire up to an aggregate of 15% additional Debentures at the offering price and on the same terms and conditions as set forth herein.
Maturity:	March 31, 2024 (the "Maturity").
Coupon:	5.50% per annum payable semi-annually on March 31 and September 30 in each year (each an "Interest Payment Date") commencing September 30, 2017. Subject to applicable laws and regulatory approval, the Company shall have the option to pay any interest by delivering freely tradable treasury shares of the Company to a trustee for sale, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest owed from the proceeds of the sale of the requisite number of shares by the Company.
Conversion Rights:	The Debentures will be convertible at the option of the holder at any time prior to the close of business on the earlier of the Maturity and the last business day immediately preceding the date fixed for redemption, into 92.1659 Common Shares, representing a conversion price of \$10.85 per Common Share (the "Conversion Price") (representing a conversion premium of approximately 50%). Upon conversion, holders will be eligible for accrued interest up to but excluding the date of conversion.
Conversion Adjustments:	The indenture will provide for the adjustment of the Conversion Price in certain events including, without limitation, (i) the subdivision or consolidation of the outstanding Common Shares; (ii) the issue of Common Shares or securities convertible into Common Shares by way of stock dividend or other distribution to all holders of Common Shares; (iii) the issue of rights, options or warrants to all of the holders of Common Shares entitling them to acquire Common Shares or other securities convertible into Common Shares at less than 95% of the then market price; (iv) the distribution to all holders of Common Shares of any securities or assets; (v) the payment to all holders of Common Shares in respect of an issuer bid for Common Shares by the Company (other than normal course issuer bids) to the extent that the market value of the payment exceeds the then market price of the Common Shares on the date of expiry of the bid; and (vi) the payment of cash dividends beyond a per common share dividend threshold of \$0.096 per annum (i.e. 20% above current threshold).
Redemption:	The Debentures will not be redeemable at the option of the Company before March 31, 2020. On or after March 31, 2020 and prior to March 31, 2022, the Debentures may be redeemed in whole or in part at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount thereof plus accrued and unpaid interest, provided that the volume weighted average

trading price of the Common Shares on the Toronto Stock Exchange ("TSX") for the 20 consecutive trading days ending five trading days preceding the date on which the notice of redemption is given is not less than 125% of the Conversion Price.

On or after March 31, 2022 and prior to Maturity, the Debentures may be redeemed in whole or in part at the option of the Company on not more than 60 days and not less than 30 days prior notice at a price equal to their principal amount plus accrued and unpaid interest.

Optional Payment at Maturity or upon Redemption:

On Maturity or upon redemption, provided that no event of default shall have occurred and be continuing, the Company may, at its option, on not more than 60 and not less than 30 days prior notice and subject to regulatory approval, elect to satisfy its obligation to repay the principal amount of the Debentures by issuing and delivering that number of freely tradable Common Shares obtained by dividing the principal amount of the outstanding debentures which are to be redeemed or have matured by 95% of the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days preceding the date fixed for redemption or on maturity, as the case may be.

Restriction on Share Redemption Right:

The Company shall not, directly or indirectly (through a subsidiary or otherwise) undertake or announce any rights offering, issuance of securities, subdivision of the Shares, dividend or other distribution on the Shares or any other securities, capital reorganization, reclassification or any similar type of transaction in which:

- a) the number of securities to be issued;
- b) the price at which securities are to be issued, converted or exchanged; or
- c) any property or cash that is to be distributed or allocated,

is in whole or in part based upon, determined in reference to, related to or a function of, directly or indirectly, (i) the exercise or potential exercise of the share redemption right as described above under "Optional Payment at Maturity or upon Redemption" (the "Share Redemption Right"), or (ii) the Current Market Price determined in connection with the exercise or potential exercise of the Share Redemption Right.

Current Market Price:

Current Market Price is defined as the volume weighted average trading price of the Common Shares on the TSX for the 20 consecutive trading days ending five trading days prior to the applicable date.

Change of Control:

Upon a Change of Control involving the acquisition of voting control or direction over 66 2/3% or more of the common shares of the Company, holders of the Debentures will have the right to require the Company to offer to repurchase their Debentures within 30 days following the consummation of the Change of Control, in whole or in part, at a price equal to 101% of the principal amount of the Debentures plus accrued and unpaid interest thereon.

Subject to regulatory approval, in the event of a Change of Control in which 10% or more of the consideration received for the Common Shares consists of (i) cash, (ii) trust units, limited partnership units or other participating securities of a trust, limited partnership or similar entity; (iii) equity securities that are not traded or expected to be traded immediately following such transactions on a stock exchange; or (iv) other property that is not traded or intended to be traded immediately following such transactions on a stock exchange, holders of the Debentures may elect to convert their Debentures and receive, in addition to the number of Common Shares they otherwise would have been entitled to under "Conversion Privilege", an additional number of Common Shares not exceeding the specified amount of Common Shares per \$1,000 of Debentures, as outlined in the trust indenture, and provided that the conversion price is not less than permitted discounts to the market price.

If 90% or more of the principal amount of the Debentures outstanding on the date of the notice of Change of Control have been tendered, the Company will have the right to redeem all the remaining Debentures at the offer price.

Use of Proceeds:

The net proceeds of the Offering will be used for future growth opportunities and for general corporate purposes.

Ranking:

The Debentures will be direct unsecured obligations of the Company ranking subordinate to all liabilities, except liabilities which by their terms rank in right of payment equally with or subordinate to the Debentures. The Debentures will rank pari

passu with all subordinate debentures issued by the Company from time to time, and subordinate to all existing and future senior secured indebtedness of the Company.

Form of Offering:	Public offering, eligible for sale in all provinces and territories of Canada, other than Quebec, pursuant to a short form prospectus and into the United States under 144A and /or other applicable private placement exemptions or in such manner so as to not require registration under the U.S. Securities Act of 1933.
Form of Underwriting:	Bought deal, subject to the entering of an underwriting agreement containing conventional bought deal termination provisions and other industry standard provisions.
Eligibility for Investment:	Eligible under the usual Canadian statutes as well as for RRSPs, RESPs, RRIFs, TFSA's, RDSPs and DPSPs.
Listing:	Application will be made to list the Debentures on the TSX, and the Common Shares to be issued upon conversion of the Debentures on the TSX and the New York Stock Exchange (the "NYSE"). Listing will be subject the Company fulfilling all of the listing requirements of the TSX and NYSE. The existing common shares of the Company are currently listed on the TSX and the NYSE under the symbol "NOA".
Underwriting Fee:	4.0% of the total offering amount.
Closing Date:	March 15, 2017.