

OFFSHORE ENGINEER · EGYPT · DRILLING

Saipem and MDC sign non-exclusive MoU for offshore drilling across Egypt and MENA

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Saipem and Egypt's Modern Drilling Company (MDC) have signed a non-exclusive memorandum of understanding to explore new offshore drilling opportunities, beginning in the Egyptian market with the potential to extend to other countries of mutual interest. The non-exclusive nature of the agreement — now confirmed by Drilling Contractor — is a meaningful detail: it allows both parties to pursue parallel partnerships and tenders independently, reducing the degree of strategic lock-in implied by the initial announcement and signalling that this is a flexible, exploratory framework rather than a committed joint venture.

MDC's profile has also come into sharper focus with the new reporting. The company is described not simply as an Egyptian drilling contractor but as one of the leading drilling contractors across Egypt and the broader Middle East and North Africa region. This positions MDC as a more regionally significant partner than the initial announcement suggested, and it elevates the geographic ambition of the collaboration: the reference to "other countries of mutual interest" now carries more weight given MDC's established MENA footprint. For Saipem, aligning with a contractor of this regional scale could provide a faster route into multiple offshore markets beyond Egypt.

Egypt itself remains the stated starting point and one of Africa's most active offshore drilling markets, underpinned by substantial Mediterranean gas development — most prominently in the Zohr-era deepwater basin — alongside ongoing activity in the Gulf

of Suez. Demand for offshore drilling capacity has been sustained by national and international operators seeking to maintain and grow production from ageing fields and develop new exploration acreage. A local partnership structure also aligns with Egyptian content expectations that have become increasingly embedded in upstream procurement, a dynamic that likely informed Saipem's decision to formalise this arrangement.

At this stage, the MoU remains a reconnaissance-level instrument. No financial terms, rig assignments, contract durations, or specific well programmes have been attached to the agreement as reported. The non-exclusive framing means the market should not read this as Saipem or MDC foreclosing other alliances. Whether this matures into a formal joint venture, a teaming agreement on specific tenders, or a broader frame contract will depend on how Egypt's and the wider MENA region's offshore licensing and operator procurement cycles develop in the near term.

For Norwegian oil and gas service companies, the Saipem-MDC alignment has broadened in significance. What initially appeared to be an Egypt-specific signal now reads as a potential MENA-wide partnership vehicle. International majors are actively structuring local partnerships ahead of anticipated drilling campaigns — activity that typically precedes procurement for well services, subsea equipment, and drilling consumables. Norwegian firms with ambitions across the MENA offshore corridor should treat this as an early indicator of forthcoming activity and prioritise relationship-building with both parties accordingly.

Why this matters to partners and clients of Saga

The confirmation that this MoU is non-exclusive and potentially MENA-wide expands the opportunity horizon for Norwegian service companies beyond Egypt alone. Firms should engage with both Saipem and MDC as potential prime contractors or local partners across multiple offshore markets, while monitoring tendering activity that may flow from this alliance across the broader region.

PARTNER ANGLES

- **Drilling contractor (prime):** Saipem is the international prime in this structure; Norwegian well services, drilling fluids, and subsea technology companies should position as preferred subcontractors ahead of any formal programme announcement.
- **Local/regional drilling contractor:** MDC's established MENA footprint makes it a valuable local partner for Norwegian firms seeking market access not only in Egypt but across the broader region — direct engagement with MDC could open doors independent of the Saipem relationship.
- **NOC/operator:** Any drilling campaign flowing from this MoU will involve Egyptian or regional NOCs; Norwegian companies with track records on NOC-driven deepwater or shelf programmes should map their existing operator relationships in parallel.

[Original source: Offshore Engineer →](#)

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