

OFFSHORE MAGAZINE · EGYPT · DRILLING

Saipem, Egypt's MDC sign offshore drilling MoU

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Saipem and Egypt's Marine Drilling Company (MDC) have signed a memorandum of understanding to explore joint offshore drilling opportunities, beginning in Egypt with the potential to expand into other markets. The agreement provides a framework for the two companies to assess collaboration through joint ventures, consortia, and project-specific arrangements — though no contracts or operational commitments have yet been formalised.

The MoU positions Saipem, one of the world's largest drilling and subsea contractors, alongside MDC, an Egyptian state-affiliated marine drilling entity, in a partnership structure that could give both parties a competitive advantage when tendering for offshore work in the Egyptian market. Egypt's offshore sector — spanning the Mediterranean and Red Sea — has attracted sustained upstream investment in recent years, underpinned by major gas-producing assets and ongoing exploration activity by international operators.

The scope of the agreement explicitly anticipates geographic expansion beyond Egypt. By structuring the collaboration around consortia and project-specific agreements in addition to more permanent joint venture vehicles, the two companies are preserving flexibility to respond to tendering opportunities across the broader North Africa and East Africa region as they arise. This approach reflects an increasingly common model in African drilling markets, where local-content requirements and operator preferences for established in-country partners make local alliances strategically valuable.

At this stage, the instrument is an MoU — a statement of intent to collaborate and assess opportunities rather than an awarded contract or an active drilling programme. No specific blocks, rigs, well counts, or financial terms are disclosed in the announcement. The commercial substance of the partnership will depend on what offshore tenders materialise in Egypt and the identified adjacent markets, and whether the two companies elect to formalise their collaboration into binding project agreements.

For the Norwegian offshore services community, the Saipem-MDC alignment is worth tracking as a demand signal. If the partnership succeeds in winning offshore drilling contracts in Egypt or neighbouring markets, it would create a new procurement channel through which well services, drilling equipment, and associated subsea or topside services could be sourced. Saipem has an established global supply chain that includes Norwegian-headquartered vendors across multiple service categories, and any activated drilling programme under this framework would follow standard competitive procurement processes.

Why this matters to partners and clients of Saga

This is an MoU — no contracts are live and procurement outreach is premature. Norwegian drilling services, well services, and equipment suppliers should monitor the partnership's progress and track whether Saipem and MDC advance toward formal joint venture structures or begin tendering for specific campaigns in Egypt or adjacent markets. Relationship-building with Saipem's regional procurement teams in Egypt is the appropriate near-term action.

PARTNER ANGLES

- **Drilling:** If the MoU converts to active drilling contracts, Norwegian drilling equipment and rig services suppliers should position through Saipem's established vendor networks.
- **Well Services:** A Saipem-MDC joint drilling programme in Egypt's offshore would create demand for cementing, completions, and well integrity services — monitor for tender announcements.

- **Subsea/FPSO:** Egyptian Mediterranean offshore tie-backs and any deepwater activity unlocked by this partnership could create subsea equipment and installation demand worth tracking.
- **Service:** Norwegian inspection, maintenance, and repair (IMR) and HSE service firms should watch whether the partnership expands into markets where Norwegian expertise carries a competitive edge.

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