



Magdy ZEID

Maridive Group, consisting of Maridive & Oil Services and three subsidiaries, has for over four decades concentrated on providing offshore services. The company already has a global presence and a 200 million US dollar IPO has it set on course for further expansion.

The Oil & Gas Year: *As a veteran of the oil and gas industry with a wealth of experience, could you outline your own and your company's background in the Egyptian oil sector.*

Magdy Zeid: Starting in 1953 with the Anglo Egyptian Oil Field company, I have seen this industry grow in a variety of posts ranging from Operations Manager of EGPC to the head of the rationing committee during the 1967 war.

During this time I have played a part in establishing 51 companies in Egypt and throughout the world. Maridive Group's offshore services division consists of four entities, the main one of which is Maridive & Oil Services.

Established in 1978 it provides a range of offshore services including vessel chartering and salvage, fire fighting, oil spill response and general services and supplies. We also created a joint venture company with industry giant Tidewater called Maritide. After several years we wholly acquired Maritide and it is now part of our Maridive operation.

In 1992 we established Valentine Maritime. Based in Abu Dhabi, Valentine Maritime is a specialist offshore pipe laying, SPM and offshore hook-up company.

Finally we established Maridive Offshore Projects in 1993. Set up as a sister company to Maridive & Oil Services specialising in underwater diving and repair work, it has by now gained enough experience to consider it a separate company.

In prime position

TOGY talks to

Magdy ZEID, Oil and Energy Expert

Between the different components of Maridive Group, we have operated worldwide, in the Caspian Sea, West Africa, the Gulf of Mexico, China as well as Iran.

TOGY: *Recent price fluctuations and the plummeting oil prices have affected many service and supply companies. How has the current operating environment affected Maridive Group?*

MZ: High prices have a minor effect on our short- to medium-term horizons. The majority of our work is servicing existing platforms, thus the long lead times on offshore exploration will not have an impact on our business.



In fact, we view the current economic situation as an opportunity. With low material and labour costs and an ambitious 310 million US Dollar new vessel programme we are well positioned to exploit the current situation.

We also believe in further developing our human resources throughout the current crisis. At the same time we are currently recruiting new personnel from the Faculty of Engineering in Alexandria University. We take mechanical and electrical engineers and teach them the necessary skills for underwater and offshore construction.

TOGY: *Egypt currently represents 20 percent of your business. Looking forward beyond current economic difficulties, how is this figure expected to change?*

MZ: To start with, we are growing globally. For example only last year we signed two contracts in India for around 85 million US dollars. We expect this growth to extend to Egypt also. Traditionally the bulk of the work has taken place in the Red Sea, but we have a bright future in the Mediterranean as well. To meet expected demand for the deep offshore Mediterranean concessions we are constructing a number of deepwater service and supply vessels.

TOGY: *As a dominant player both worldwide and in Egypt, how do you maintain your level of competence and competitiveness?*

MZ: We are always in competition with ourselves and other service suppliers. The company was established in 1978 and we have personnel with a wealth of experience in all offshore sectors. We love to compete because we never lose sight of our main goal, which is to always improve our business.

Our motto is "Endless Sea, Endless Growth". We never stand still and, as I mentioned earlier, we have an ongoing 310 million US dollar ship building programme.

To name just one exemplary project part of this programme, we are introducing one of the world's largest barges in 2010. We have established a road map of building new vessels up until 2020.

The deep offshore business is the future of exploration. For that reason all our newly built vessels are equipped for deep sea work. That is not to say that we are ignoring the shallow water work

as we are equipped to serve the oil and gas industry at any depth.

TOGY: *As a global player, which deep offshore areas excite you particularly?*

MZ: First of all we see the Mediterranean as a fantastic area of opportunity. West Africa, the Gulf and India continue to have a lot of potential as well. For the future we can foresee good projects coming out of the Black Sea as well as the Caspian Sea.

TOGY: *Recently you had a staggeringly successful IPO. What prompted the offering and into which areas of the business do you intend to invest this new capital?*

MZ: The initial offer was for a value of 200 million US dollars, but we received subscriptions of over 7.4 billion US dollars. Maridive is 90 percent owned by three families and between us we have all decided that it is about time that we grew and really expanded the company. The main goal of the IPO was to invite capital to initiate this expansion and for the time being we will not be issuing any more shares. I cannot rule out acquisitions at this stage, but the bulk of the capital raised will be directed towards upgrading and adding to our fleet.

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TOGY: *Given the current state of the global economy and its direct impact on the offshore exploration industry, how was 2008 and how will Maridive fare in 2009?*

MZ: 2008 represented a very successful year for the company, capped by our fantastic IPO. We hope to build on this for 2009 further consolidating our position and moving into new geographic and service areas.

As for the global picture, there are always opportunities and with new technology nothing is impossible.

