

# Saudi Arabia and Kuwait - CEO Report to the Board – Ferdocean Shipping

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Date: November 18, 2025

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## Executive Summary

This report consolidates insights from Ferdocean's recent strategic meetings in Saudi Arabia and Kuwait, providing a clear roadmap for securing contracts in these high-growth markets. The focus is on leveraging Ferdocean's technical capabilities, building strong partnerships, and aligning with regional priorities to establish a sustainable presence.

### Strategic Objective:

Ferdocean's primary goal is to convert its strong tender pipeline into signed contracts with leading energy and industrial players in the GCC. These markets represent significant opportunities for long-term revenue growth, technology deployment, and operational expansion. Our approach emphasizes:

- **Direct Engagement:** Strengthening relationships with key decision-makers with Saudi Aramco, KOC, Schlumberger, SEC, Zamil, GESCO, SPES, and Mowani.
- **Technology Differentiation:** Positioning Ferdocean's solutions as critical enablers for efficiency, compliance, and innovation in large-scale projects.
- **Regional Integration:** Aligning with local content requirements, regulatory frameworks, and JV structures to ensure smooth market entry.

### Key Highlights from Meetings

- **Saudi Arabia:**
  - Saudi Aramco and SEC expressed strong interest in technology pilots and multi-year service agreements.
  - Zamil and GESCO are exploring JV models for EPC and industrial projects.
- **Kuwait:**
  - KOC is actively working to get Ferdocean prequalified. This to ensure our vessel and onshore solution into multi-year service agreements.

Emerging Partners: SPES and Mowani offer niche opportunities for bundled services and industrial diversification.

#### Next Steps:

- Accelerate negotiations with top-tier clients to secure framework agreements.
- Deploy pilot projects to validate technology and build trust.
- Finalize JV structures with Zamil and GESCO to strengthen local presence.
- Sign LOI's

Ferdocean's commitment is clear: to establish a strong, contract-driven footprint in Saudi Arabia and Kuwait by leveraging technology leadership, strategic partnerships, and operational excellence. This report consolidates detailed insights from meetings in Saudi Arabia and Kuwait, providing a comprehensive view of strategic opportunities, technical highlights, and partnership structures. It includes expanded bullet points for each company and visual elements for financial pipeline and timeline milestones.

## Strategic Context

The GCC energy sector is undergoing rapid transformation driven by sustainability mandates and cost optimization. Saudi Vision 2030 and Kuwait's environmental regulations create strong demand for advanced waste management and water treatment technologies. Ferdocean Shipping, supported by proven technologies, is positioned to capitalize on these developments.

## Detailed Company Engagements

### 1. Saudi Aramco

- **Strategic Importance:** Largest oil producer globally; cornerstone for GCC market penetration.
  - **Current Status:** Active tender pipeline; strong interest in Ferdocean Shipping setup.
  - **Opportunity:** High-value, long-term contracts; technology validation required (ongoing).
  - **Risk:** Capex.
  - **Mitigation:** Pilot projects and compliance alignment.
- Mandated full overhaul of drilling waste management (government directive).
  - Prequalification program for technology outcome: Trial Agreement and technology-level qualification.
  - Focus on Ferdocean's full scope setup with Multi Storage Tanks, Pump Structure, all integrated services includes Mobile Treatment Unit (IMTU) and

Slop water treatment system (ceramic ultrafiltration achieving <5 ppm oil-in-water).

- Capacity: scalable solutions up to 20-100 m<sup>3</sup>/hr for wastewater treatment.
- Application: Produced water treatment for re-injection (not irrigation).

Next Steps:

- Complete test, and deliver full technical qualification and initiate pilot deployment in Q1 2026.

## 2. Zamil Marine

- Strategic Importance: Leading EPC contractor; gateway to full scope vessel projects.
  - Current Status: JV discussions ongoing; potential for service integration.
  - Opportunity: Diversification into industrial segments; recurring service contracts.
  - Risk: JV governance and CAPEX exposure.
  - Mitigation: Clear MoUs, KPIs, and phased investment.
- One of the largest vessel providers in KSA; strategic collaboration to enhance fleet environmental capabilities.
  - Market quantification: Offshore drilling forecast 170–200 wells (2026–2028).
  - Mobilization strategy: Initial deployment of 3–4 vessels equipped with full scope Ferdocean systems.
  - Focus on reduction vs current handling methods through optimized logistics and reduced rig time.
  - Pricing models: Fixed day rate and volume-based pricing per m<sup>3</sup>/ton.
  - Commercial structure: Back-to-back agreements; storage at Tanajib yard.
  - Integration: Invitation to bid for Aramco Logistics Hub (currently operated by Rawabi Integrity).

Next Steps:

- Formalize NDA (Done) and prepare bid documentation for logistics hub integration.
- Finalize LOI
- Joint development of marine environmental services under Ferdocean's operational license.
- Prepared outlining scope, technology transfer, and operational responsibilities.
- Schedule technical-commercial workshop.

### 3. SEC

- Strategic Importance: Key player in the cleanup transmission.
  - Current Status: Early-stage tender participation.
  - Opportunity: Multi-year service agreements.
  - Risk: Regulatory delays and market volatility.
  - Mitigation: Compliance audits and securing long-term contracts.
- Manages several waste ponds totaling ~3 million tons and 3.6 million m<sup>3</sup>.
  - Falls under GESCO JV scope; LOI.
  - Opportunity for large-scale waste treatment and environmental compliance.

Next Steps:

- Integrate SEC projects into JV business plan and pipeline.

### 4. Mowani

- Strategic Importance: Regional industrial solutions provider; potential for strategic partnerships.
  - Current Status: Early engagement; exploring collaboration opportunities.
  - Opportunity: Expansion into industrial services and technology integration.
  - Risk: Limited visibility on long-term pipeline and competitive positioning.
  - Mitigation: Build strong relationship, offer bundled solutions, and secure framework agreements.
- Mandated by authorities to establish oil-in-water treatment plants at all ports.
  - Direct opportunity for slop water deployment across multiple locations.

Next Steps:

- Settle MOU and to define scope and regulatory compliance framework.

### 5. GESCO (ABCO)

- Strategic Importance: Regional EPC contractor with niche capabilities Key player in the cleanup transmission.
- Current Status: Limited but growing pipeline; mid-sized projects focus.
- Opportunity: Entry into secondary markets.
- Risk: Market acceptance and pricing pressure.

- Mitigation: Pilot projects and strategic pricing.
  - JV agreement in progress; LOI exchanged.
  - Contracts initiated for Aramco, SEC.
  - GESCO is Committed to share business plan and pipeline report

Next Steps:

- Finalize JV agreement and align KPIs for operational rollout.

## 6. SPES

- Strategic Importance: Specialized engineering services provider; supports diversification. One of the most important Key player in the cleanup transmission.
- Current Status: Initial engagement; potential for technology collaboration.
- Opportunity: Niche projects with strong technical requirements.
- Risk: Limited scale and dependency on project pipeline.
- Mitigation: Strategic partnerships and bundled offerings.
  - JV for Kuwait projects; LOI received.
  - Focus: Upgrade site for drill cuttings processing (up to 4 units).
  - Pricing for full scope to be done
  - Land-based waste pit available for testing. An full rollout

Next Steps:

- Confirm testing schedule and strengthen LOI content for tender positioning.

## 7. KOC

- Strategic Importance: Major NOC in Kuwait; critical for regional expansion.
- Current Status: Tender pipeline active; interest in innovative solutions.
- Opportunity: High-margin contracts; technology differentiation.
- Risk: Regulatory and operational complexity.
- Mitigation: Early engagement and pilot demonstrations.
  - Fast-track prequalification within weeks (weeks vs standard 6–8 months).
  - OBM Treatment Tender closing Dec, 2025.
  - Initial deployment of fully equipped vessels; scalable systems for offshore waste management.

Next Steps:

- Submit tender proposal and finalize prequalification documentation.

## 8. Schlumberger

- Strategic Importance: Global oilfield services leader; potential technology partner.
- Current Status: Discussions on collaboration and technology integration. Pending on Aquila case.
- Opportunity: Access to global markets and joint technology development.
- Risk: Alignment of objectives and IP protection (Aquila).
- Mitigation: Clear governance structures and IP agreements.
  - Requested pilot test (3-day) for water treatment validation.
  - Strategic role in operational integration and credibility enhancement.

### Next Steps:

- Coordinate pilot test in Q1 2026 and prepare for scale-up in Q2 2026.

## Financial Forecast potential

- Saudi Aramco: 85M USD
- KOC: 50M USD
- Zamil Marine: 28M USD
- SEC: 20M USD
- GESCO: 32M USD
- SPES: 28M USD
- Schlumberger: 17,5M USD

## Pipeline Overview

The chart below illustrates estimated revenue potential per company:

Updated Revenue Potential by Company



## Risk Analysis & Mitigation

Risk Analysis	Risk Factor	Mitigation
Availability of Aquila and the company’s technology/IP is critical for success. Without control, costs increase and tech may become unavailable if acquired by others.	Technology	Purchase Aquila and secure IP rights.
Significant capital investment required to enter contracts and scale operations.	Capital	Careful CAPEX planning and phased investment strategy.
CAPEX risk due to large upfront investments.	Financial	Implement strict cost control and ROI analysis before major expenditures.

Regulatory delays impacting project timelines and approvals.	Regulatory	Proactive engagement with authorities and regular compliance audits.
Technology acceptance by major clients (KOC, Aramco, Schlumberger).	Market/Technology	Conduct pilot tests and demonstrations with key clients to validate technology.
JV alignment risks between partners.	Governance	Establish clear agreements, and governance structures to ensure alignment and accountability.
Market volatility in GCC region affecting demand and pricing.	Market	Diversify across GCC markets and secure long-term contracts to stabilize revenue streams.

## Conclusion

Ferdocean Shipping is on a strong trajectory to establish itself as a leading provider of sustainable drilling waste and water treatment solutions in the GCC. Strategic partnerships and timely execution will ensure long-term value creation.