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MIS on the prowl



MIS boss: Kevin Hudson sees bright future for company.

By [Erik Means](#)

The boss of Middle East yard group Maritime Industrial Services does not expect to see new orders for jack-up drilling rigs for at least another two years, but the company is sitting pretty with the orders it lined up prior to the downturn last autumn.

“The likelihood is that we won’t see another newbuild order until 2011,” MIS chief executive Kevin Hudson told UpstreamOnline. “They are few and far between these days.”

Still, MIS is on the outlook for investment opportunities, fuelled largely by the high-priced rig orders secured over the past two years.

“Our backlog allows us to do all sorts of things,” Hudson said on the sidelines of OTC in Houston.

Specifically, the yard boss is on the outlook for investment opportunities in another yard facility.

“A footprint in Abu Dhabi is a goal,” he elaborated.

He would also like to see MIS strengthen its process engineering capability, adding that these goals could be achieved “either through acquisition or organically”.



Hudson took the helm of the company last October, just as the sub-prime mortgage crisis sent global financial markets into disarray.

Since then several rig building projects at competing yards have tripped and stumbled as financing dried up, rig rates diminished and employment prospects grew scarce for rigs ordered on speculation.

Hudson insists the six rigs being built at MIS are all in good shape. “Financing is the key, and we feel relatively secure with our clients. No problems so far.”

The fabricator delivered its first-ever newbuild rig in February, which Hudson admitted involved “a learning curve”.

He said the timing “couldn’t have been better” on the contract signings of MIS’ seven rig orders to date, including the last two orders that were signed last September – just before the market collapsed – at about \$180 million per rig.

These orders leave MIS with a full orderbook for another year. After that, the yard will shift some of its attention to “growing other value streams” such as EPC (engineering, procurement and construction contracts) on land-based installations, with a particular goal to break into the Abu Dhabi market.

Looking forward, Hudson said MIS is targeting \$1 billion in revenues and \$100 million in net profit in 2013, with 40% generated by rig newbuilding activity and the 60% balance from activities such as EPC contracts, maintenance work and fabrication of process modules.

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