



MODEC and Schahin Group awarded Tartaruga Verde / Tartaruga Mestiça FPSO charter contract from Petrobras

Tokyo, December 2, 2014 – MODEC, Inc. (“MODEC”) announced today that MODEC and its Brazilian partner Schahin Group have been awarded a contract for supply, charter, and operations of a Floating, Production, Storage, and Offloading (FPSO) vessel for the BM-C-36 block (Tartaruga Verde and Tartaruga Mestica fields) in the Campos Basin by Petróleo Brasileiro S.A. (“Petrobras”). This announcement is further to the Letter of Intent (LOI) which was issued on November 28, 2014.

The FPSO will be deployed at Tartaruga Verde and Tartaruga Mestiça fields in the BM-C-36 block in the Campos Basin in water depth of 765m. The BM-C-36 block is 100%-owned by Petrobras.

MODEC and Schahin Group are responsible for the engineering, procurement, construction, mobilization, installation and operation of the FPSO, including topsides processing equipment as well as hull and marine systems. SOFEC, Inc., a subsidiary of MODEC, will design and supply the spread mooring system.

The FPSO will be capable of processing 150,000 barrels of crude oil per day, 176 million standard cubic feet of gas per day, 200,000 barrels of water injection per day and has storage capacity of about 1,600,000 barrels of crude oil.

The FPSO delivery is scheduled in the 3rd quarter of 2017.

"We are very honored to be awarded the memorable 10th FPSO/FSO vessel from Petrobras, as well as MODEC's 12th unit in Brazil," said Toshiro Miyazaki, President and CEO of MODEC. "We are committed to carry out the project along with Schahin Group in order to contribute to the foundation for the development of energy industries in Brazil."

The Schahin Group has a significant presence in the drilling services market and has been working with Petrobras Group and Consortia in which Petrobras has been participating since 1982. The Schahin Group is pleased to expand into production services via the partnership with MODEC and Petrobras.

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The information contained in this news release is true and accurate at the time of publication; however, it may be subject to change without prior notice.