



FPSO Cidade de Caraguatatuba MV27 Achieves First Oil

Commencement of Charter of the Fifth MODEC FPSO Delivered to the Pre-Salt Region Offshore Brazil

Tokyo, December 26, 2016 – MODEC, Inc. (“MODEC”) announced today that the *FPSO Cidade de Caraguatatuba MV27* (“the FPSO”), deployed for operation in the Lapa oil field (formerly Carioca oil field) in the “pre-salt” region of the Santos Basin off the coast of Brazil, has achieved the First Oil production on December 19, 2016.

The FPSO is leased on a 20 year charter contract to Guar B.V., an affiliate of Consortium BM-S-09 which is responsible for production development of the field – comprising leader and operator, Petrleo Brasileiro S.A. (“Petrobras”) and its partners. Moored about 300 kilometers south of Rio de Janeiro in water depths of 2,126 meters, the FPSO is capable of processing 100,000 barrels of oil and 177 MM standard cubic feet of gas per day and has a storage capacity of 1,600,000 barrels of crude oil.

This is the eleventh vessel (FPSO/FSO) MODEC has delivered to the Brazilian oil & gas sector and represents the fifth MODEC FPSO delivered to the pre-salt region – following on from *FPSO Cidade de Angra dos Reis MV22*, *FPSO Cidade de So Paulo MV23*, *FPSO Cidade de Mangaratiba MV24* and *FPSO Cidade de Itagua MV26*.

The FPSO’s new-build hull was constructed by Mitsui Engineering & Shipbuilding Co., Ltd. in Chiba, Japan while its topsides process modules and related structures were constructed at a variety of locations in Asia – prior to installation, integration and commissioning in Singapore and Brazil.

Toshiro Miyazaki, President & CEO of MODEC said, “We are pleased to have safely achieved the First Oil production by this high quality new-build FPSO. This significant achievement was made possible by the strong working relationship and teamwork established between our Project Execution Team and Petrobras which we hope to replicate on future projects.”



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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.