



MODEC Awarded Letter of Intent by Petrobras Related to Marlim 1 FPSO

Tokyo, October 16, 2019 – MODEC, Inc. ("MODEC") is pleased to announce that it has received a Letter of Intent (LOI) for the supply, charter, and operations of a Floating Production Storage and Offloading (FPSO) vessel for Marlim revitalization project from Petróleo Brasileiro S.A. ("Petrobras"). This marks MODEC's 16th project for the Brazilian market and the period of contract for the unit is 25 years.

The FPSO's first oil production is planned for 2022 and its operation is part of the Marlim cluster revitalization project. The field is 100% operated by Petrobras and is situated in the Campos Basin, in the northern region of the Rio de Janeiro State, 150 kilometers off the coast. The oil wells are at a water depth approximately 670 meters. The FPSO will be capable of processing 80,000 barrels of crude oil per day, 7.0 million standard cubic meter per day, 390,000 barrels of water injection per day and will have minimum storage capacity of 1,000,000 barrels of crude oil. This is MODEC's sixth vessel in the Campos Basin since the company started to operate in the region in 2003.

MODEC is responsible for the engineering, procurement, construction, mobilization, chartering and operations of the FPSO, including topsides processing equipment as well as hull and marine systems. SOFEC, Inc., a MODEC group company, will design and supply the spread mooring system for the floating unit. In addition to the Marlim 1 FPSO, MODEC will also provide three more FPSOs for the country within the next years: the *FPSO Carioca MV30*, the *FPSO Guanabara MV31* and the *FPSO Almirante Barroso MV32*. These FPSOs will be deployed in the pre-salt of Santos Basin.

"This new contract reflects our commitment with our operations in Brazil and with Petrobras," commented Yuji Kozai, President and CEO of MODEC. "Brazil is a key country in our business strategy and is about to enter a very promising period for the energy segment. Brazilian market and Petrobras have been supporting us by strengthening our position in global offshore oil and gas industry for nearly 20 years. It is our wish to continue to support the development of the local oil and gas industry, either through mature fields like the Marlim revitalization project as well as green field projects in the pre-salt, amongst others."

President and CEO of MODEC Brazil, Takashi Nishino highlighted the company's history in the region. "MODEC began its operations in Brazil back in 2003, precisely in the Campos Basin. We are very honored to receive a new contract for the region. Today, more than half of MODEC's employees around the world work in Brazil and more than 90% of our workforce in the country is composed of Brazilians. Our history in Brazil is a source of great pride for us."

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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.