



2008 FULL-YEAR FINANCIAL RESULTS
ANALYST PRESENTATION

FEBRUARY 27, 2009

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I. 2008 HIGHLIGHTS

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FPSO Cidade Niteroi MV18

2008 OVERVIEW

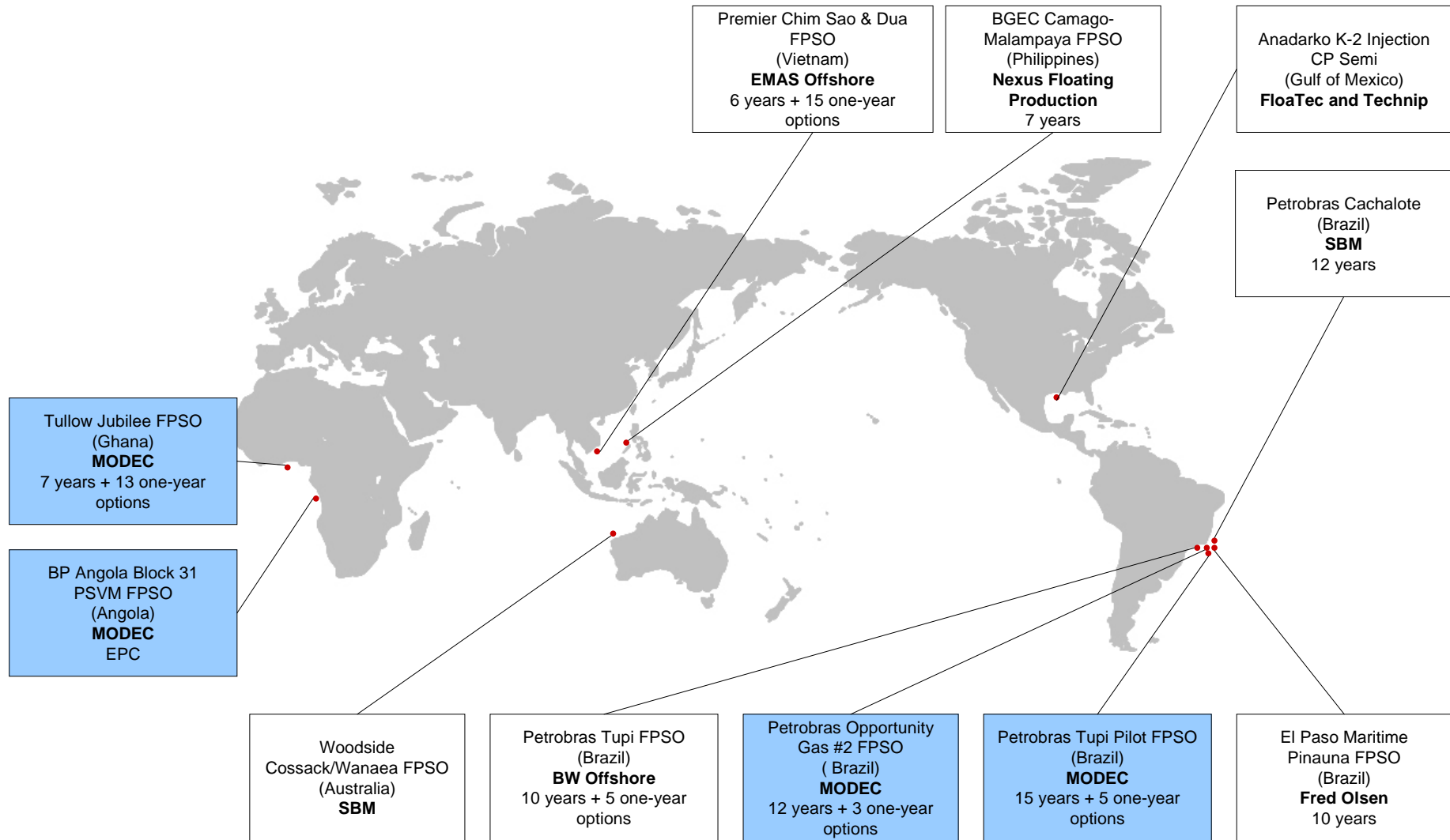
- Awarded four large FPSO projects in Brazil and West Africa
 - Achieved the highest sales of 319,614 million JPY (200 percent increase over 2007)
 - Revenue base expands as vessels come online in 2010 and beyond

- Additional costs resulted in a less profit.
Operating profit decreased by approximately 3,000 million JPY
 - Trouble of installation: JVPC Rang Dong FSO*
 - Delay of construction: TSJOC Song Doc FPSO*

* Both projects achieved first oil in November 2008.



MAJOR ORDERS IN 2008



2008 HIGHLIGHTS: 2008 FPSO/FSO OPERATIONS

FPSO Baobab Ivoirien MV10



FPSO Song Doc Pride MV19
(Charter started in Nov. 2008)



FSO Rong Doi MV12



FPSO Cuulong MV9
(Charter Completed in Oct. 2008)



FSO Rang Dong MV17
(Charter started in Nov. 2008)



FSO Ta'Kuntah
(10 years in operation)



FSO Cidade de Macae MV15



FPSO Cidade do Rio de Janeiro MV14



FPSO Fluminense



FPSO Jasmine Venture MV7



FPSO MV 8 Langsa Venture



FPSO Stybarrow Venture MV16



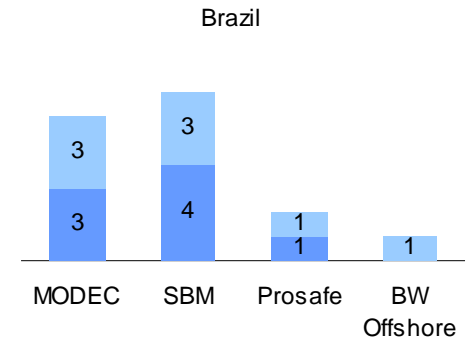
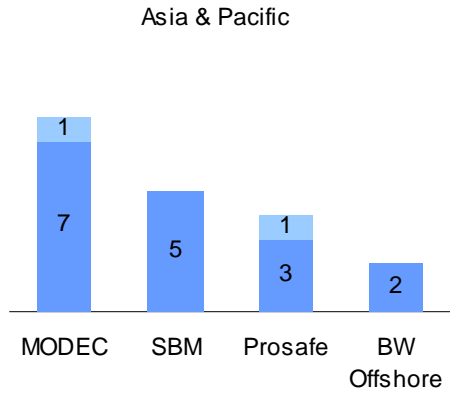
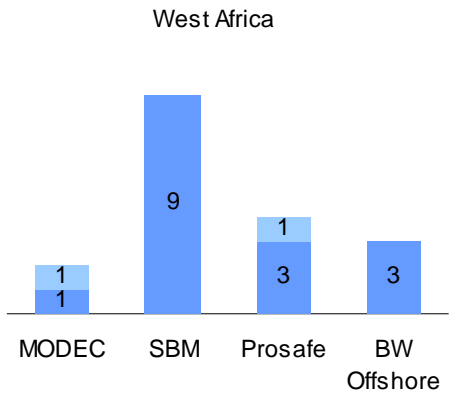
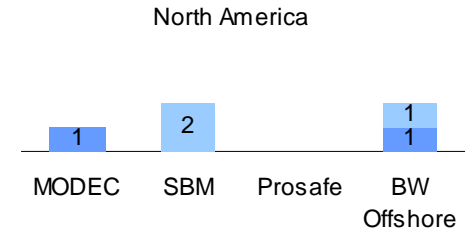
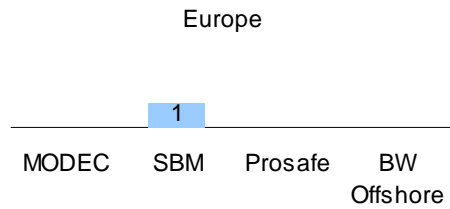
FPSO MODEC Venture 11



FPSO MODEC Venture 1
(to be relocated)



LEASE/OPERATION UNITS



2008 HIGHLIGHTS: FPSO Song Doc Pride MV19



TSJOC Song Doc FPSO

Charter Start: November 2008

EPCI + Time Charter

Charter Period: 5 years + 5 one-year options

Song Doc field, Vietnam



JVPC Rang Dong FSO

Charter Start: November 2008

EPCI + Time Charter

Charter Period: 9 years + 5 one-year options

Rang Dong field, Vietnam



II. MARKET REVIEW & PROSPECTS



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FSO Cidade de Macae MV15

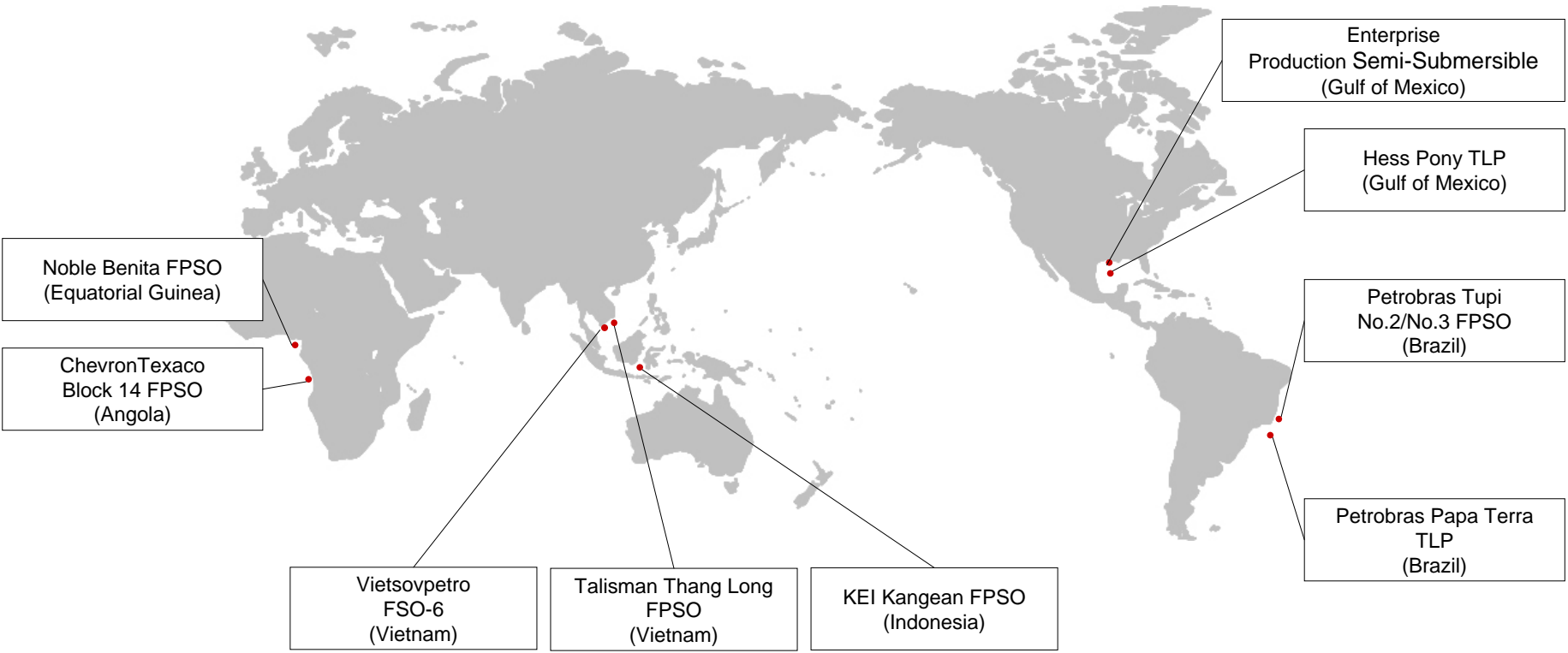
PROSPECTS FOR 2009

Severe Business Environment

- Worsening economic environment in the second half of 2008
- Crude oil prices: soared to \$147 and sharply down to \$37
 - Oil companies are more conservative toward E&P
 - Obama Administration is committed to develop renewable energy sources

- The number of prospective projects will decrease
- Though demand for energy will never decrease in the medium- and long-term
- Deep water production is especially expected to be expanded
- FPSO business field has the potential to grow

PROSPECTIVE PROJECTS in 2009



2008-2009 PROJECTS IN PROGRESS

FPSO Song Doc Pride MV19
 (TSJOC Song Doc FPSO)
 First Oil: November 2008
 MODEC owns and operates



BHP Pyrenees FPSO
 First Oil: Planned in 4Q 2009
 MODEC will operate



FPSO Cidade de Niteroi MV18
 (Petrobras Opportunity Oil FPSO)
 First Oil : February 2009
 MODEC owns and operates



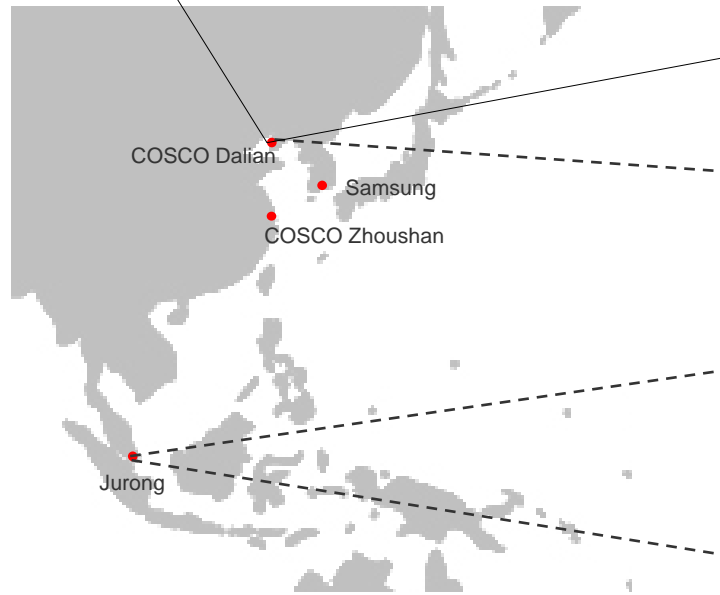
FPSO Cidade de Santos MV20
 (Opportunity Gas #2 FPSO)
 First Oil: Planned in 2010
 MODEC will own and operate



Shenzi TLP
 Installed: July 2008



FSO RANG DONG MV17
 First Oil: November 2008
 MODEC owns and operates



New Awards in 2008
FPSO Cidade de Angra dos Reis MV22
 (Petrobras Tupi Pilot FPSO)
 First Oil: Planned in 2010
 MODEC will own and operate

New Awards in 2008
Tullow Jubilee FPSO
 First Oil: Planned in 2Q 2010
 MODEC will own and operate

New Awards in 2008
BP Angola PSVM FPSO
 First Oil: Planned in 2011
 EPCI

————— Under Construction
 Planned



EPCI in 2009

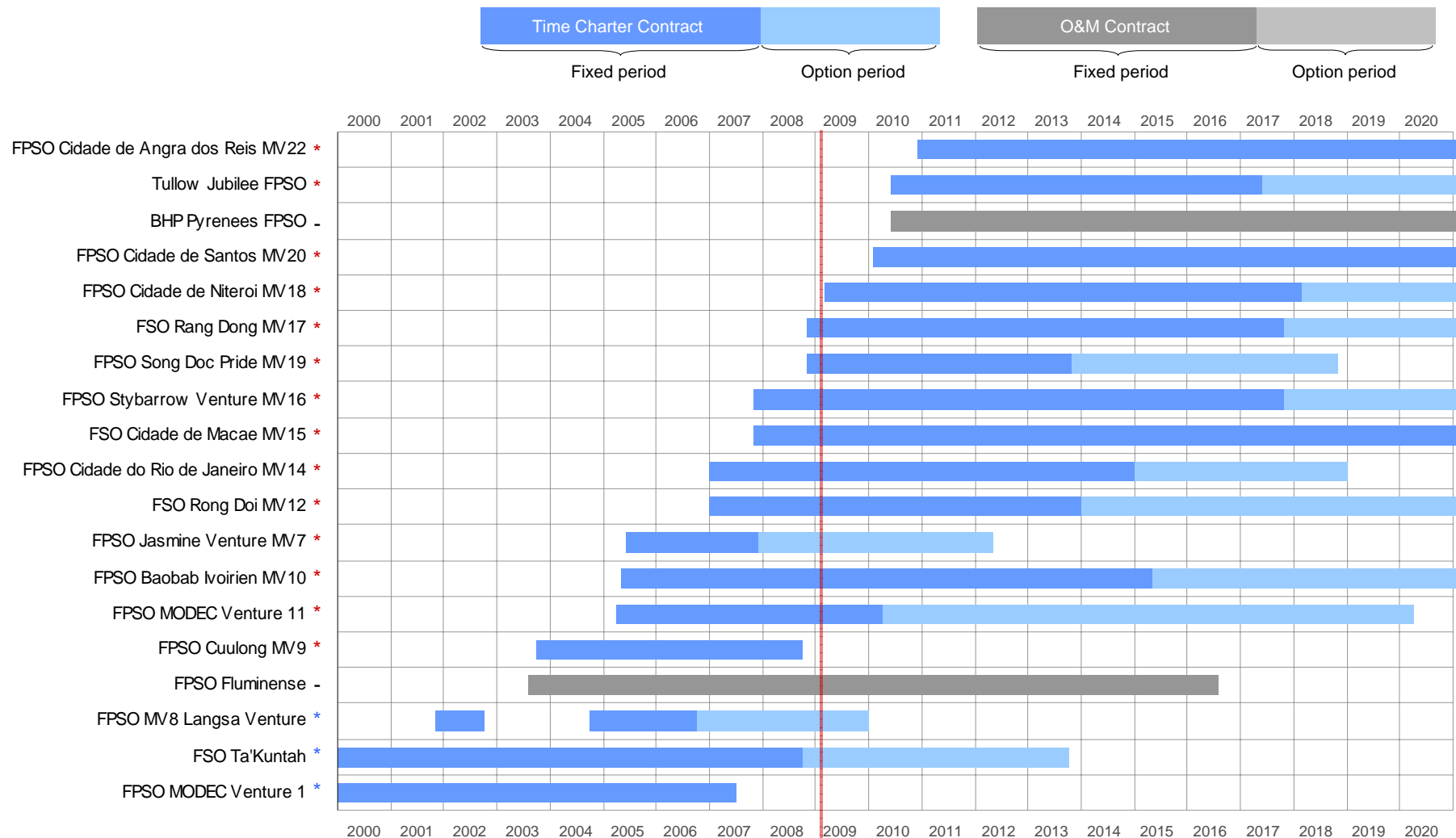
EPCI Costs

- Projects awarded in 2008: settle at inflated price
(because it made outside order and procurement when prices were rising)
- Unrealized profit is expected to be the highest in the history of MODEC

Enhancement of the management system

- Stringent review of EPCI costs and progress reports
- Review meeting with managements in a daily basis
CEO, President and COO more involved

TIME CHARTER / O&M PERIOD



* Consolidated Subsidiary
 * Affiliates accounted for by the Equity Method

February 2009
 Time Charter: 10 FPSO/FSOs, O&M: 2 FPSO

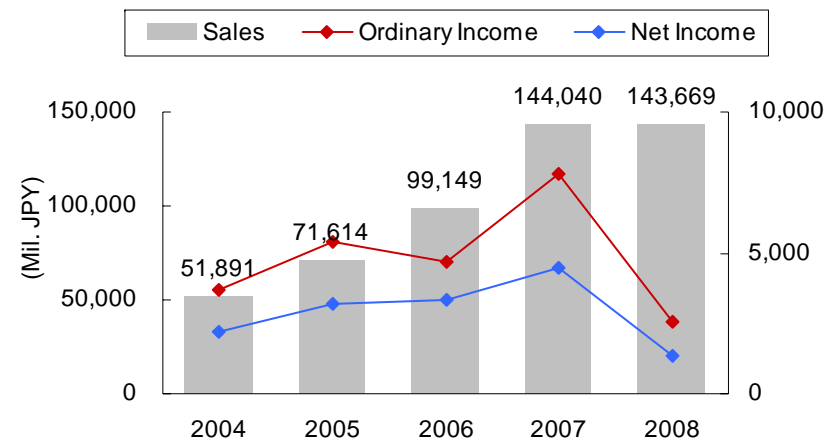
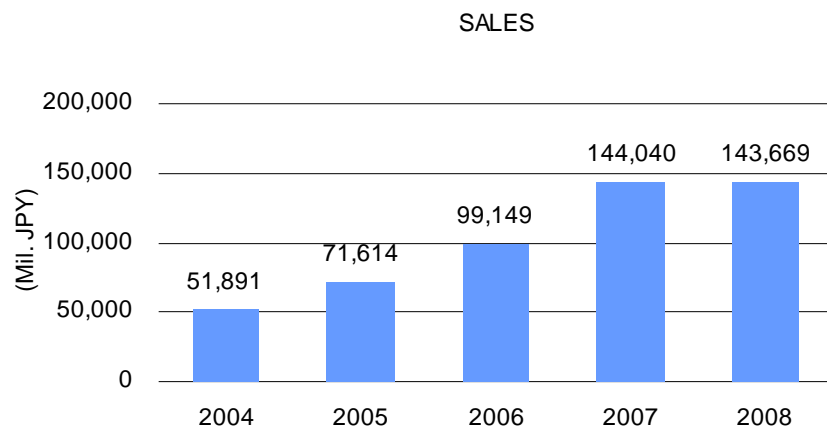


III. 2008 FINANCIAL RESULTS & 2009 FORECAST

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FPSO Cidade do Rio de Janeiro MV14

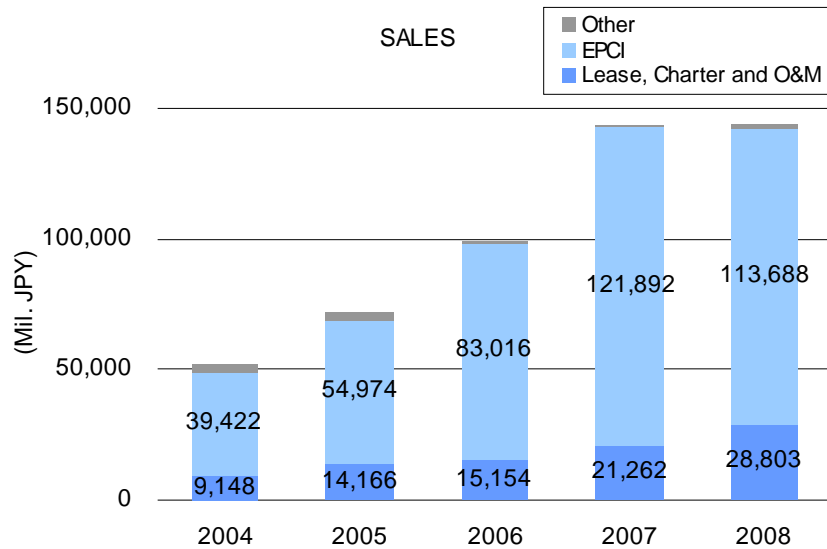
SALES



(Mil. JPY)

	2004	2005	2006	2007	2008	Variance	
Sales	51,891	71,614	99,149	144,040	143,669	- 371	- 0.3%
Gross Profit	7,338	8,560	9,381	16,907	12,737	- 4,170	- 24.7%
Operating Profit	3,779	3,895	3,494	6,959	1,973	- 4,986	- 71.6%
Ordinary Income	3,701	5,408	4,664	7,828	2,529	- 5,299	- 67.7%
Net Income	2,230	3,213	3,305	4,499	1,357	- 3,141	- 69.8%

SALES BY SERVICE TYPES



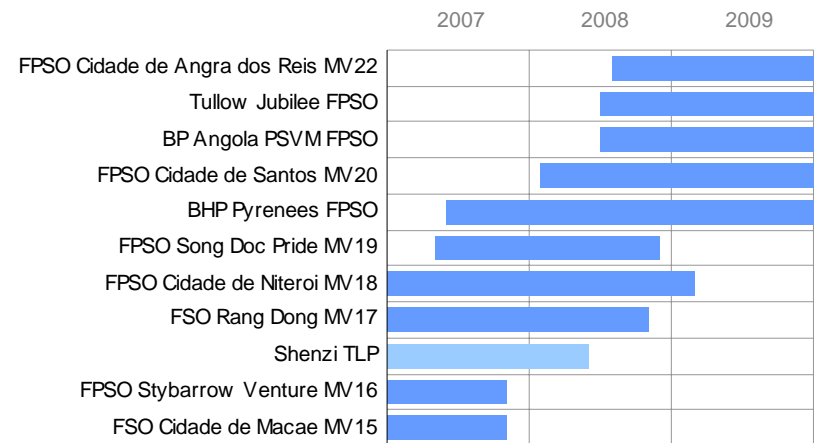
SALES from EPCI

- Shenzi TLP
- JVPC Rang Dong MV17 FSO
- TSJOC Song Doc MV19 FPSO
- Petrobras Opportunity Oil FPSO (FPSO Cidade de Niteroi MV18)
- BHP Pyrenees FPSO
- Petrobras Tupi Pilot FPSO (FPSO Cidade de Angra dos Reis MV22)
- Tullow Jubilee FPSO
- Petrobras Opportunity Gas #2 FPSO (FPSO Cidade de Santos MV20)
- BP Angola PSVM FPSO

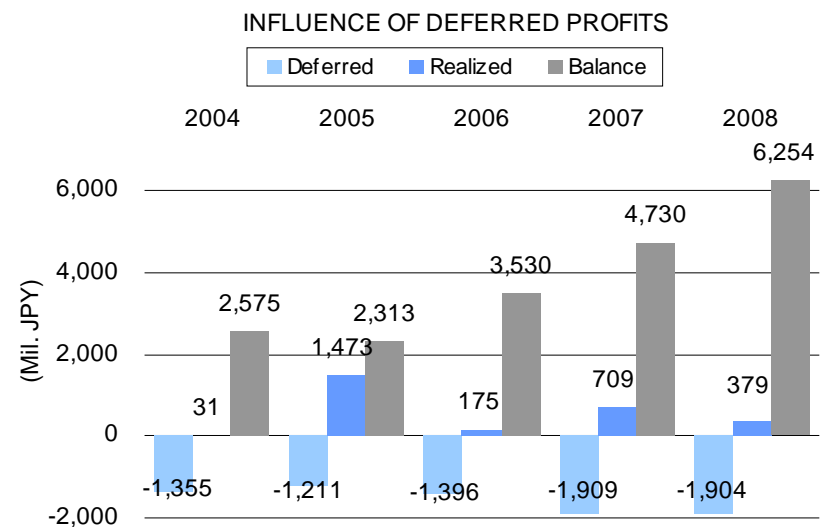
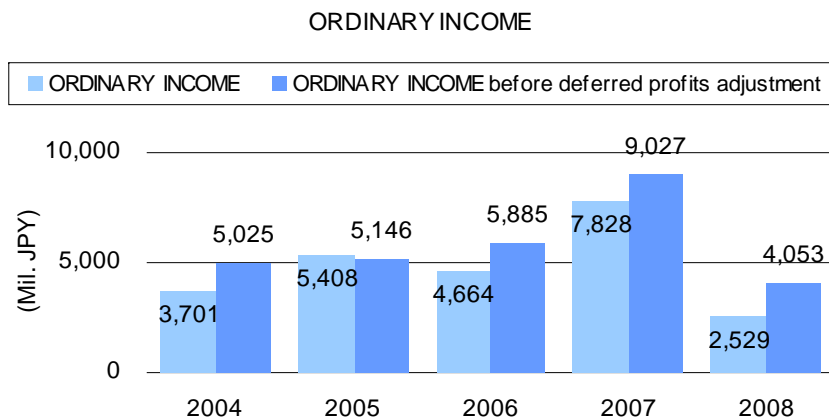
(Mil. JPY)

	2004	2005	2006	2007	2008
EPCI	39,422	54,974	83,016	121,892	113,688
Lease, Charter and O&M	9,148	14,166	15,154	21,262	28,803
Other	3,320	2,472	978	886	1,177
SALES	51,891	71,614	99,149	144,040	143,669

EPCI period



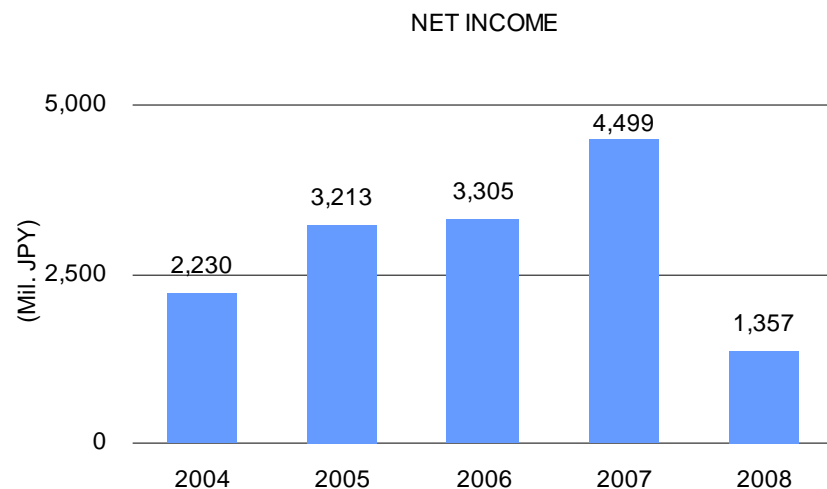
ORDINARY INCOME



(Mil. JPY)

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NET INCOME



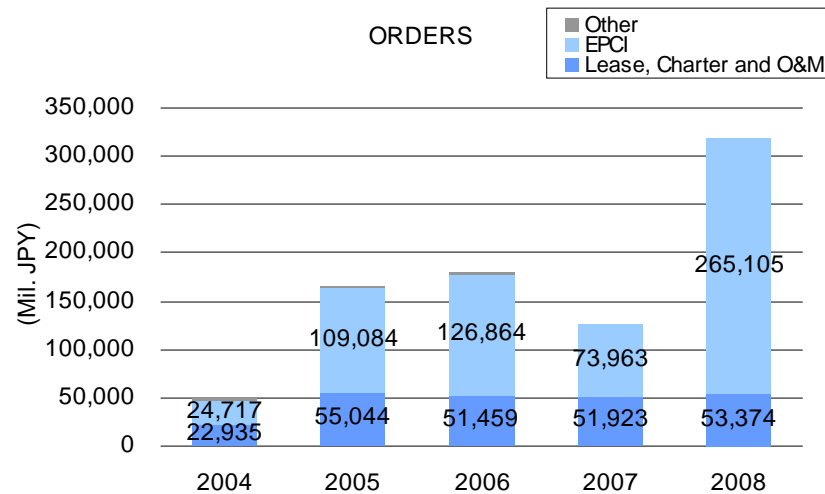
- Large projects awarded -- Highest-ever sales (319,614 million, 152.1% increase over 2007)
- Losses due to additional costs of EPCI (JVPC Rang Dong FSO, TSJOC Song Doc FPSO)
- Loss in operating profit and ordinary income due to additional costs of operation and appreciation of the yen against the dollar

(Mil. JPY)

	2004	2005	2006	2007	2008	Variance	
Sales	51,891	71,614	99,149	144,040	143,669	- 371	- 0.3%
Gross Profit	7,338	8,560	9,381	16,907	12,737	- 4,170	- 24.7%
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ORDERS BY SERVICE TYPES



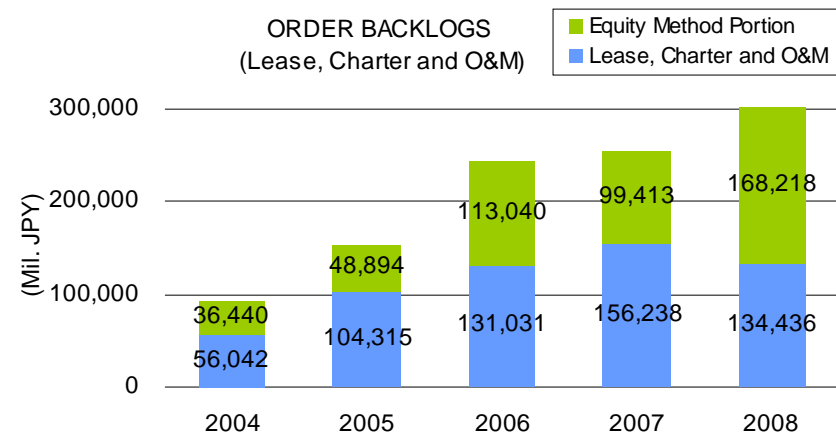
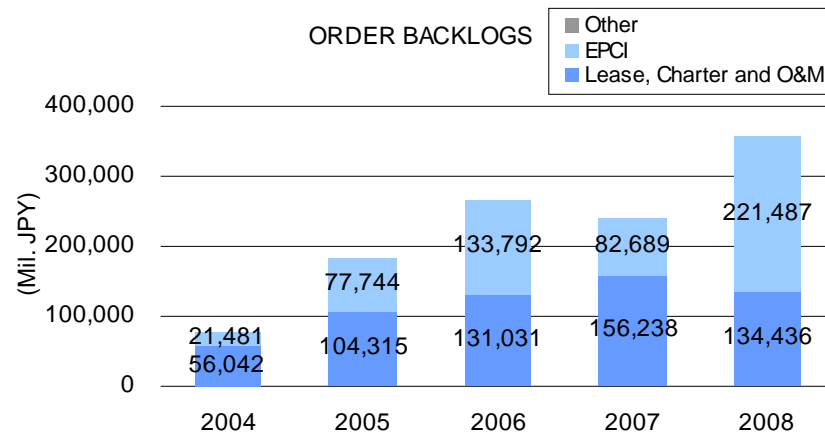
New Orders in 2008

- BP Angola PSVM FPSO
- Petrobras Opportunity Gas #2 FPSO (FPSO Cidade de Santos MV20)
- Tullow Jubilee FPSO
- Petrobras Tupi Pilot FPSO (FPSO Cidade de Angra dos Reis MV22)

(Mil. JPY)

	2004	2005	2006	2007	2008	Variance	
EPCI	24,717	109,084	126,864	73,963	265,105	+ 191,141	+ 258.4%
Lease, Charter and O&M	22,935	55,044	51,459	51,923	53,374	+ 1,450	+ 2.8%
Other	2,489	2,409	1,029	904	1,134	+ 229	+ 25.4%
ORDERS	50,141	166,538	179,353	126,792	319,614	+ 192,822	+ 152.1%

ORDER BACKLOGS BY SERVICE TYPES



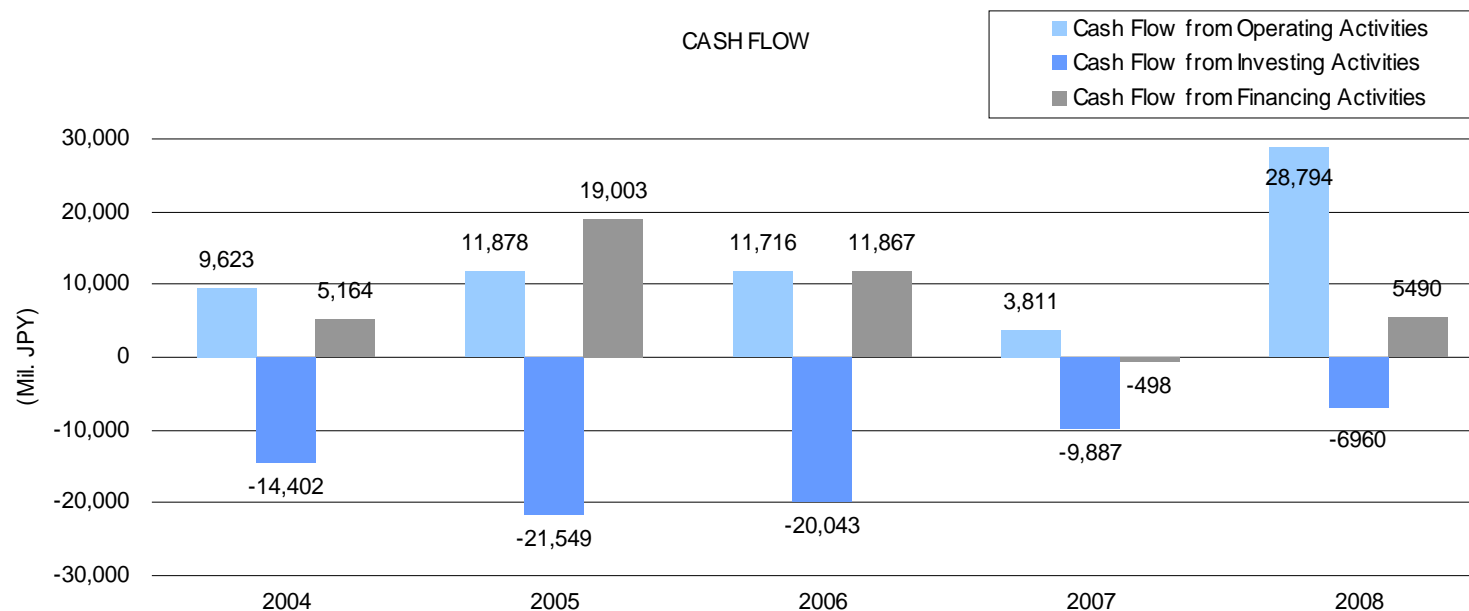
(Mil. JPY)

	2004	2005	2006	2007	2008	Variance	
EPCI	21,481	77,744	133,792	82,689	221,487	+ 138,798	+ 167.9%
Lease, Charter and O&M	56,042	104,315	131,031	156,238	134,436	- 21,801	- 14.0%
Other	91	76	134	80	0	- 80	-
ORDER BACKLOGS	77,615	182,136	264,957	239,008	355,924	+ 116,916	+ 48.9%

	2004	2005	2006	2007	2008	Variance	
Equity Method Portion	36,440	48,894	113,040	99,413	168,218	+ 68,804	+ 69.2%
Lease, Charter and O&M	56,042	104,315	131,031	156,238	134,436	- 21,801	- 14.0%
ORDER BACKLOGS (Lease, Charter and O&M)	92,482	153,209	244,071	255,652	302,654	+ 47,002	+ 18.4%



CASH FLOW



(Mil. JPY)

	2004	2005	2006	2007	2008	Variance	
Cash Flow from Operating Activities	9,623	11,878	11,716	3,811	28,794	24,982	655.4%
Cash Flow from Investing Activities	-14,402	-21,549	-20,043	-9,887	-6,960	2,927	29.6%
Cash Flow from Financing Activities	5,164	19,003	11,867	-498	5,490	5,989	-
Cash and Cash Equivalents at Ending of Year	14,061	25,061	28,827	21,443	44,718	23,274	108.5%



KEY FINANCIAL FIGURES

(Mil. JPY)

	2004	2005	2006	2007	2008	Variance
Operating profit	3,779	3,895	3,494	6,959	1,973	- 4,986
Depreciation and amortization	635	1,116	662	1,656	1,619	- 37
Amortization of consolidated differences	26	26	26	13	26	+ 13
Collection of lease receivable (Cantarell FSO, Inc., S.A. de C.V.)	1,594	1,991	2,340	2,834	1,818	- 1,016
EBITDA	6,034	7,028	6,522	11,462	5,436	- 6,026
Operating profit (equity method portion)	651	2,167	3,151	4,252	4,613	+ 361
Depreciation and amortization (equity method portion)	1,456	2,190	2,566	3,848	3,945	+ 97
Collection of lease receivable (equity method portion)	-	608	1,019	1,081	1,213	+ 132
EBITDA (after adjustment)	8,141	11,993	13,258	20,643	15,207	- 5,436
Interest income	836	1,282	3,545	3,564	2,222	- 1,342
Interest expense	685	1,261	3,661	3,679	1,905	- 1,774
Interest expense (equity method portion)	390	705	1,023	975	2,303	+ 1,328
Net Interest expense (after adjustment)	239	684	1,139	1,090	1,986	+ 896
EBITDA Interest Coverage Ratio	34.1	17.5	11.6	18.9	7.7	- 11.2

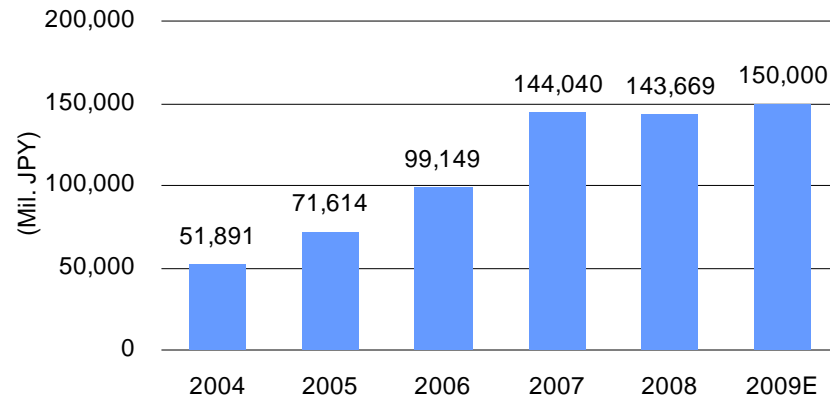
	2004	2005	2006	2007	2008	Variance
Liabilities with interest	25,661	37,545	49,950	46,810	43,021	- 3,789
Liabilities with interest (equity method portion)	24,380	19,574	15,836	18,448	46,008	+ 27,560
Cash and time deposits	14,061	25,061	28,827	21,499	45,082	+ 23,583
Cash and time deposits (equity method portion)	1,093	1,406	1,697	2,873	4,183	+ 1,310
Net liabilities with interest (after adjustment)	34,887	30,652	35,262	40,886	39,764	- 1,122
Net liabilities with interest / EBITDA	4.3	2.6	2.7	2.0	2.6	+ 0.6

	2004	2005	2006	2007	2008	Variance
ROE (%)	11.9	10.7	8.4	10.7	3.2	- 7.5
ROA (%)	3.5	3.8	2.9	3.4	1.0	- 2.4
Equity Ratio (%)	33.5	36.1	33.1	32.3	26.2	- 6.1

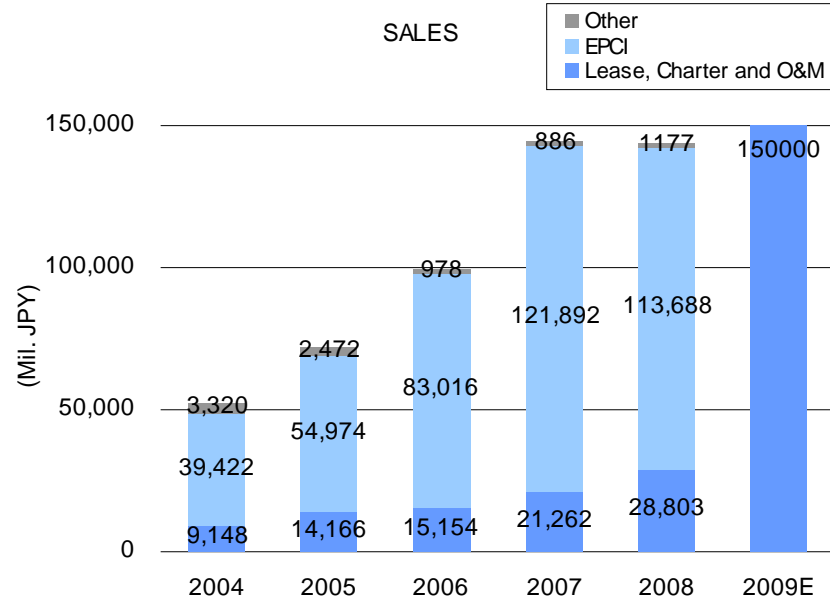


FORECAST FOR FY2009

SALES



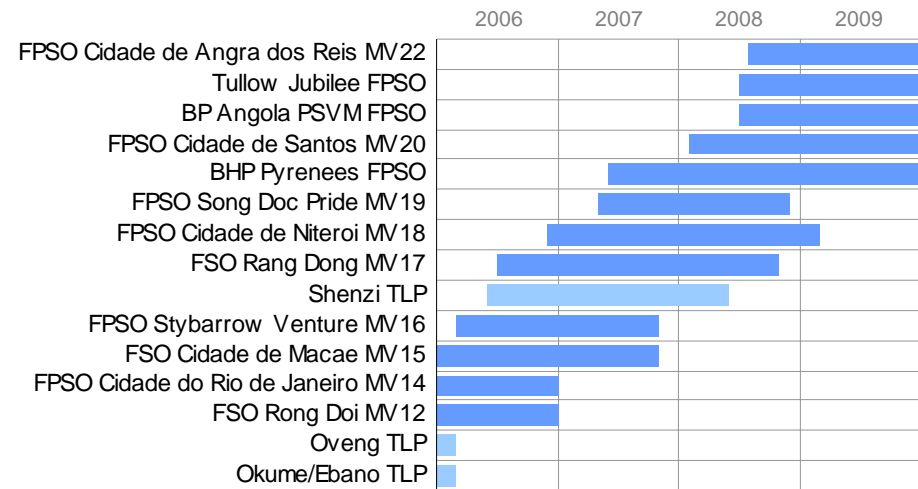
SALES



Projects in progress in 2009

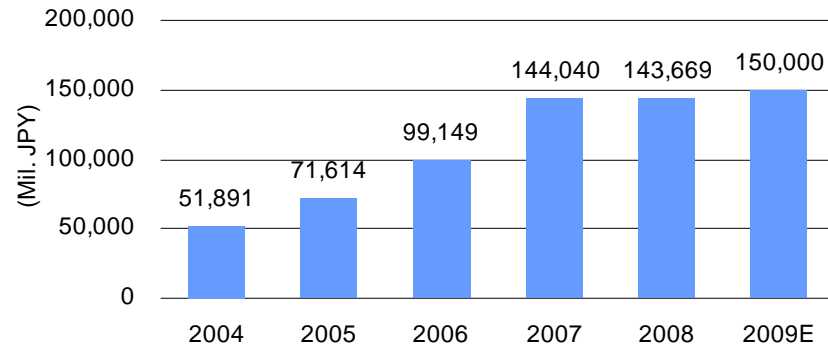
- BHP Pyrenees FPSO
- Tullow Jubilee FPSO
- BP Angola PSVM FPSO
- FPSO Cidade de Santos MV20
- FPSO Cidade de Angra dos Reis MV22

EPC Period

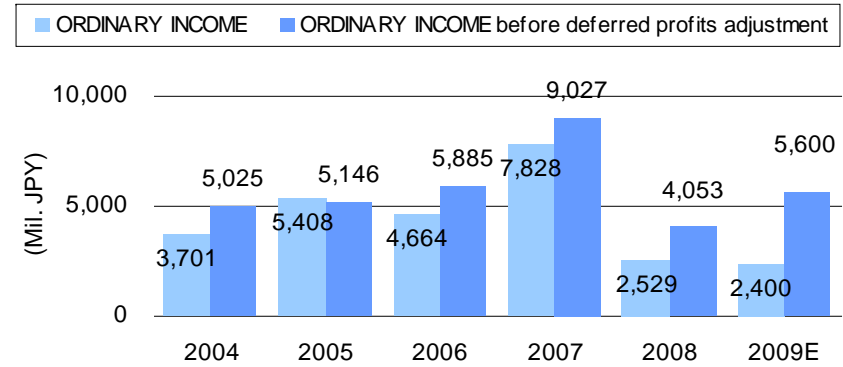


FORECAST FOR FY2009

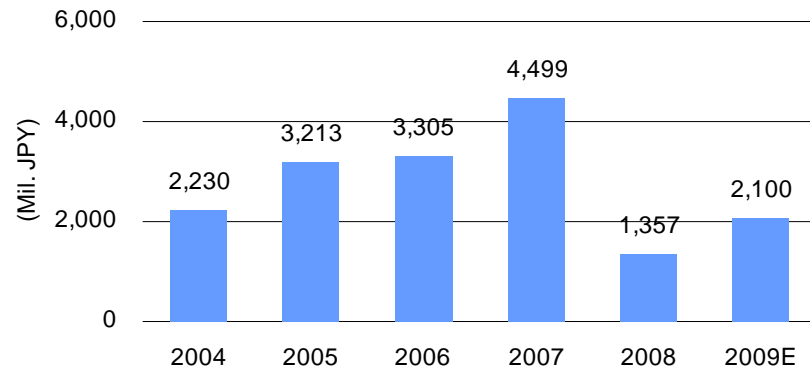
SALES



ORDINARY INCOME



NET INCOME



Exchange Rate 104.20 118.07 119.12 114.16 91.04 90.00

INFLUENCE OF DEFERRED PROFITS

