

MODEC, Inc.
Mitsui & Co., Ltd.
Mitsui O.S.K. Lines, Ltd.
Marubeni Corporation

December 18, 2013

MODEC, Inc., Mitsui & Co., Ltd., Mitsui O.S.K. Lines, Ltd. and Marubeni Corporation to Proceed with the Ultra-Deepwater FPSO Chartering Project for Carioca Area of Brazilian Offshore Pre-Salt Oil Field

MODEC, Inc. (“MODEC,” head office: Chuo-ku, Tokyo; president: Toshiro Miyazaki), Mitsui & Co., Ltd. (“Mitsui,” head office: Chiyoda-ku, Tokyo; president: Masami Iijima), Mitsui O.S.K. Lines, Ltd. (“MOL,” head office: Minato-ku, Tokyo; president: Koichi Muto) and Marubeni Corporation (“Marubeni,” head office: Chiyoda-ku, Tokyo; president: Fumiya Kokubu) have agreed that Mitsui, MOL and Marubeni will invest in a long-term charter business (“Project”) currently promoted by MODEC for the purpose of providing a floating production, storage, and offloading system (“the FPSO”) for use in the Carioca area of a pre-salt oil field off the coast of Brazil. The above 4 companies (“Companies”) have entered into definitive agreements today.

Based on these agreements, Mitsui, MOL and Marubeni will invest in Carioca MV27 B.V. (“MV27”), a Dutch company established by MODEC, and the Companies will proceed with the Project jointly. MV27 has signed a long-term chartering agreement for the deployment of the vessel by the BM-S-9 Consortium – Petrobras (45%), BG Group (30%) and Repsol Sinopec Brasil S.A. (25%). The FPSO will be chartered for 20 years under this chartering agreement signed in December 2013.

The FPSO will be named “FPSO Cidade de Caraguatatuba MV27” and will be deployed to the Carioca area of the BM-S-9 block off the coast of Brazil in the third quarter of 2016. The area is part of a deepwater oil field located approximately 300 km south of Rio de Janeiro, Brazil. The oil is contained in the pre-salt layer approximately 5,000 m beneath the seabed.

The Project is the third occasion under which the Companies have collaborated to operate FPSOs for pre-salt oil fields.

The Schahin Group, the joint bidder with MODEC for this Project as the local partner in Brazil, has the option to invest up to 15% in MV27 prior to the commencement of the FPSO charter.

Outline of the FPSO

Oil processing capacity	100,000 barrels per day
Gas processing capacity	177 million cubic feet per day
Oil storage capacity	1,600,000 barrels
Mooring type	Spread mooring (at a depth of 2,100 meters)

Shareholders of MV27

	Before the investment by the Schahin Group	After the investment by the Schahin Group*
MODEC, Inc.	29.4%	25.0%
Mitsui & Co., Ltd.	32.4%	27.5%
Mitsui O.S.K. Lines, Ltd.	20.6%	17.5%
Marubeni Corporation	17.6%	15.0%
Schahin Group	—	15.0%

*Schahin Group has the option to invest up to 15% in MV27. If Schahin Group invests less than 15%, the ratio of the other shareholders will be adjusted on a pro-rata basis.

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