



MODEC awarded the LatinFinance Project & Infrastructure Finance Bond of the Year 2020

Tokyo, October 1, 2020 – MODEC, Inc. (“MODEC”) is pleased to announce that a US\$ 1.1 billion project bond, issued by an affiliate of MODEC in August 2019, has been awarded as “Project & Infrastructure Finance Bond of the Year 2020” from LatinFinance, the leading source of intelligence on the financial markets and economies of Latin America and the Caribbean.

This issuance by MV24 Capital B.V., an affiliate of MODEC, was for the refinancing of a Floating Production Storage and Offloading (FPSO) vessel, the *FPSO Cidade de Mangaratiba MV24*, chartered to TUPi consortium led by Petróleo Brasileiro S.A. to operate in the Lula Iracema field in the Brazilian pré-salt. The deal aimed to strategically diversifying its financing sources for MODEC’s entire FPSO charter business. This transaction marked the first project bond for a FPSO project sold in the Regulation S/Rule 144A market, for the Brazilian oil and gas industry, as well as the largest infrastructure issuance in over 5 years. This project bond was sold to a broad range of international investors, mainly in Europe and the United States. Total investor demand for the issue was approximately 2-times the issue amount of the US\$ 1.1 billion project bond. The strong reception for the bond in the international market highlights MODEC’s highly praised asset management capabilities as well as operations and maintenance for FPSOs.

The LatinFinance Project & Infrastructure Finance Awards are designed to reward the best of the region’s transactions of the period. The award, selected by LatinFinance editorial department, is based on nominations from a wide range of industry participants taking into account a variety of factors including overall strategy, volume and diversity of transactions, innovation, foresight and execution quality.

“What stood out for the \$1.1 billion bond sale, which sold at par with a final yield at 6.748% and two times oversubscribed was the covenants governing the transaction,” LatinFinance wrote in its review of the award.

“The innovation of using a Rule 144A and Regulation S exemptions structure allowed the sponsors to refinance and reallocate construction bank loans from Japan’s export-import bank and project finance lenders into a more efficient use as funding for new development projects. This transaction turns out to be a debut of a new asset-class for institutional markets,” LatinFinance wrote.

“We are delighted and proud that LatinFinance awarded us the Project & Infrastructure Finance Bond of the Year 2020,” commented Yuji Kozai, President and CEO of MODEC. “Issuance of the project bond has actually enhanced our financial stability by diversifying our financing sources for FPSO projects, as well as to secure financing flexibility for the future growth of us. We believe that our success can be replicated for other industries and will impact the wider industry.”



Infrastructure Bond of the Year



FPSO Cidade de Mangaratiba MV24

Related Press Release

[Issuance of Project Bond for FPSO Charter Project](#)

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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.