

March 25, 2004

MODEC, Inc.
Kenji Yamada, President & CEO
Code: TSE 6269
Contact: Kazunari Miwa
General Manager / Finance
TEL: 03-5800-6081

US\$100 Million Commitment Line Contract

MODEC, Inc. entered into a US\$100 Million Commitment Line Contract on March 24, 2004 with a syndicate of banks in which the Arranger as well as the Agent is Sumitomo Mitsui Banking Corporation.

MODEC Group, as being a world leading turnkey supplier of FPSO/FSO and TLP, receives orders from the private and semi-governmental oil development companies, including the super oil majors. These offshore oil production facilities have recently getting larger in size as deployed more and more for the large-scale oil field developments and our US dollar funding needs during the construction periods have correspondingly increased.

This commitment line, being denominated in US dollars, is regarded as a very rare case for Japanese resident corporations and will enable MODEC to secure a stable credit line facility to meet the expanding US dollar funding needs flexibly.

The outline of the Commitment Line is as follows:

Borrower	MODEC, Inc.
Arranger	Sumitomo Mitsui Banking Corporation
Co-Arranger	Mizuho Corporate Bank, Ltd.
Agent	Sumitomo Mitsui Banking Corporation
Credit Facility	US\$ denominated Commitment Line
Contract Term	One Year
Syndicate	Sumitomo Mitsui Banking Corporation Mizuho Corporate Bank, Ltd. Sumitomo Trust & Banking Co., Ltd. The Norinchukin Bank