

October 27, 2005

MODEC, Inc.  
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### **Liquidation of Early Production System Pte Ltd.**

At its Board of Directors Meeting held on October 27, 2005, MODEC, Inc. decided to liquidate its consolidated subsidiary Early Production System Pte Ltd.

#### 1. Background of Liquidation

Early Production System Pte Ltd. was established in 1997 for the bare boat charter service of FSO and MOPU to Marathon Petroleum Gabon LDC. After the charter contract was expired, FSO and MOPU, main assets of Early Production System Pte Ltd., were sold out and the company's liquidation was resolved.

#### 2. Outline of Early Production System Pte Ltd.

1) Country:	Singapore	
2) Representative:	Nobuhiro Yaji	
3) Capital	400,000 Singapore Dollar	
4) Shareholders	FPSO Pte Ltd.	50%
	Sojitz Offshore Project Pte Ltd.	49%
	MODEC International L.L.C.	1%

#### 3. Schedule

The liquidation procedure is planned to be completed by the end of September 2006.

#### 4. Impact on MODEC, Inc.'s financial results

The liquidation of Early Production System Pte Ltd. will have a minor impact on MODEC, Inc.'s financial results for the fiscal year ending December 31, 2005.