

December 6, 2005

MODEC, Inc.
Kenji Yamada, President & CEO
Code: TSE 6269
Contact: Yasuhiro Takano, Corporate Planning & Strategies
TEL: 03-5800-6081

Determination of Issue Price and Offer Price

MODEC, Inc. today announced the Issue Price, the Offer Price and other items concerning the New Share Issue and the Secondary Offering of its Shares which were resolved at its Directors Meeting held on November 25, 2005.

1. New Share Issue by Public Offering

| | | |
|-----|--|---|
| (1) | Issue Price | 3,210 yen per share |
| (2) | Total Amount of Issue Price | 5,694,540,000 yen |
| (3) | Issue Value | 3,077.60 yen per share |
| (4) | Total Amount of Issue Value | 5,459,662,400 yen |
| (5) | Amount of Issue Value not be Booked to Capital | 1,538.60 yen per share |
| (6) | Subscription Period | From Wednesday, December 7, 2005 to Thursday, December 8, 2005 |
| (7) | Payment Date | Tuesday, December 13, 2005 |

[Note] The Underwriter will purchase the shares at the Issue Value and offer them at the Issue Price.

2. Secondary Offering of Shares by the Underwriter

| | | |
|-----|------------------------------------|---|
| (1) | Offer Price | 3,210 yen per share |
| (2) | Total Amount of Offer Price | 963,000,000 yen |
| (3) | Underwriting Price | 3,077.60 yen per share |
| (4) | Total Amount of Underwriting Price | 923,280,000 yen |
| (5) | Subscription Period | From Wednesday, December 7, 2005 to Thursday, December 8, 2005 |
| (6) | Delivery Date | Wednesday, December 14, 2005 |

[Note] The Underwriter will purchase the shares at the Underwriting Price and offer them at the Offer Price.

3. Secondary Offering of Shares by Over Allotment

| | | |
|-----|--------------------------------|---|
| (1) | Number of Shares to be Offered | Common Stock: 200,000 shares |
| (2) | Offer Price | 3,210 yen per share |
| (3) | Total Amount of Offer Price | 642,000,000 yen |
| (4) | Subscription Period | From Wednesday, December 7, 2005 to Thursday, December 8, 2005 |
| (5) | Delivery Date | Wednesday, December 14, 2005 |

4. New Share Issue by Third Party Allotment

| | | |
|-----|--|---|
| (1) | Issue Price | 3,210 yen per share |
| (2) | Total Amount of Issue Price | 5,219,460,000 yen |
| (3) | Issue Value | 3,077.60 yen per share |
| (4) | Total Amount of Issue Value | 5,004,177,600 yen |
| (5) | Amount of Issue Value not be Booked to Capital | 1,538.60 yen per share |
| (6) | Subscription Period | From Wednesday, December 7, 2005 to Thursday, December 8, 2005 |
| (7) | Payment Date | Tuesday, December 13, 2005 |

[Note] The Allotment Grantee, Mitsui Engineering & Shipbuilding, Co., Ltd. will be allotted the shares at the Issue Price. The difference between the Issue Price and the Issue Value will be accounted as the amount not to be book to Capital.

[Reference]

1. Calculation of Issue Price and Offer Price

- (1) Determination Date and the Closing Price: Tuesday, December 6, 2005 3,310 yen
- (2) Discount Rate: 3.02%

2. Green Shoe Option Exercise Period

From Wednesday, December 14, 2005 to Monday, December 26, 2005

3. Syndicate Cover Transaction Period

From Friday, December 9, 2005 to Tuesday, December 20, 2005

4. Use of the procurement funds

The estimated aggregate amount of 10,587,122,400 yen procured by the New Share Issue and the Third Party Allotment will be used to repay the short-term loans payable which will be allocated for the capital investments and loans receivable to MODEC Venture 10 B.V., MODEC Venture 11 B.V., and Espadarte MV14 B.V..