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MODEC, Inc.
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Revision of Financial Results Forecast for the Fiscal Year Ended December 31, 2005

MODEC, Inc. revised today the previous forecast for consolidated and non-consolidated financial results for the fiscal year ended December 31, 2005. The forecast was announced on February 14, 2005 and consolidated financial results forecast was revised on November 18, 2005.

1. Forecast for consolidated financial results for the year ended December 31, 2005 (January 1, 2005 to December 31, 2005)

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced on November 18, 2005)	65,000	4,700	2,800
Revised Forecast (B)	71,000	5,400	3,150
Variance (B-A)	6,000	700	350
Variance (%)	9.2	14.8	12.5

(Reference)

	Sales	Ordinary Income	Net Income
Results for the year ended December 31, 2004	51,891	3,701	2,230

2. Forecast for non-consolidated financial results for the year ended December 31, 2005 (January 1, 2005 to December 31, 2005)

(Millions of Japanese yen)

	Sales	Ordinary Income	Net Income
Previous Forecast (A) (Announced on February 14, 2005)	17,000	1,000	600
Revised Forecast (B)	23,000	1,800	1,200
Variance (B-A)	6,000	800	600
Variance (%)	35.2	80.0	100.0

(Reference)

	Sales	Ordinary Income	Net Income
Results for the year ended December 31, 2004	19,426	2,181	1,186

3. Reasons for revision of the forecast

Both consolidated sales and non-consolidated sales are expected to largely surpass the previous forecast. This is due to the EPCI sales revenue of approximately 8,000 million yen posted from a FPSO project which was confirmed to be awarded to MODEC, Inc. by BHP Billiton Petroleum in December 2005.

On the profit side, consolidated ordinary income and net income are expected to be 5,400 million yen and 3,150 million yen respectively. This is due to earnings of affiliates (approximately 800 million yen) backed by a good result of affiliates that provide lease services in addition to the yen depreciation in exchange rate at December 31, 2005 (¥118.00 @ U.S. \$1). The increase of non-consolidated ordinary income and net income is largely due to the influence of yen depreciation in exchange rate and the dividend income from a consolidated subsidiary, FPSO PTE LTD.

MODEC, Inc. plans to pay dividends of 5.00 yen per share for the second half of 2005, as it was previously announced. In combination with the interim dividends of 5.00 yen per share, annual dividends will be 10.00 yen per share.