

July 21, 2006

MODEC, Inc.
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An Acquisition of Shares of NATCO Japan

MODEC, Inc. announced today that it has acquired 20% shares of NATCO Japan Co., Ltd. (NATCO Japan). NATCO Japan was established in 1984 as a Japanese subsidiary of National Tank Company (NATCO).

MODEC is a leading FPSO contractor in the world and NATCO is a leading provider of wellhead process equipment, systems and services used in the production of oil and gas. This alliance with NATCO is expected to enhance MODEC's capability of engineering and design of process systems to be installed on FPSO vessels and to strengthen its competitiveness in the industry.

Pursuant to the terms of the transaction, NATCO has sold 20% interests in NATCO Japan to MODEC, Inc.. The resulting ownership of NATCO Japan is now 60% NATCO; 20% Daiichi Jitsugyo Co., Ltd.; 20% MODEC, Inc..

(NATCO Japan)

Trade Name:	NATCO Japan Co., Ltd.
Establishment Date:	May 21, 1984
Address:	11-19, Nibancho, Chiyoda-ku, Tokyo, Japan
President:	Toshio Nakayama
Business:	Designing, manufacturing, and sales of machinery and equipments of separation and production of oil and gas
Share Capital:	JPY 12 million
Revenue:	JPY 900 million (for the year 2005)