MODEC, INC. today announced that its Board of Directors Meeting resolved to transfer 49% of shares of SOFEC, INC. (“SOFEC”), a wholly owned subsidiary of MODEC (U.S.A.), INC. (“MUSA”), to Mitsui Engineering & Shipbuilding Co., Ltd. (“MES”).

1. Purpose
   By reducing debt burden from its recent acquisition of SOFEC, MODEC will reinforce its funding capability so as to undertake more projects and operations.

2. Summary of the Transaction
   - Shares owned by MUSA before transaction: 266,000 shares (100%)
   - Shares transferred: 130,340 shares
   - Value: USD 31 million
   - Shares owned by MUSA after transaction: 135,660 shares (51%)

3. Schedule
   - March 14, 2007: MODEC BOD resolution
   - March 30, 2007: Transfer of SOFEC shares

4. SOFEC General Information (As of December 31, 2006)
   - Location: Houston, Texas, U.S.A.
   - Established: 1972
   - Main Business: Engineering, manufacturing and marketing of mooring systems
   - Number of Employees: 88
   - Capital: USD 26.6 thousand
5. MES General Information (As of March 31, 2006)

- Location: Tsukiji, Chuo-ku, Tokyo, Japan
- Established: 1917
- Main Business: Engineering, manufacturing, installation and maintenance of ships, machinery and plant systems
- Number of Employees: 3,832
- Capital: JPY 44,384 million