

March 14, 2007

MODEC, INC.
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MODEC to Transfer Shares of SOFEC to Mitsui Engineering & Shipbuilding

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