



MODEC and Terra Drone Enter Joint R&D Agreement to Enhance Offshore Platform Inspections with Advanced Drone Technology
- Collaboration to Serve the Industry by Enabling Unmanned Inspection-

Tokyo, July 1, 2024 – MODEC, Inc. (“MODEC”) and Terra Drone Corporation (“Terra Drone”) are pleased to announce that we have entered into a joint research and development agreement to enhance inspection drones for Floating Production, Storage and Offloading system (FPSO) (hereinafter referred to as “this agreement”). This agreement follows the Memorandum of Understanding signed by both companies on November 7, 2023.

Since November 2023, MODEC has continuously utilized Terra Drone’s drone technology to measure the hull thickness of crude oil storage tanks of FPSOs operating in Brazil. This implementation has yielded a safer inspection process by reducing the need for working at height. However, further optimization of drone inspection technology is essential to overcome the harsh working environments on offshore platforms. Due to issues with the current execution and efficiency of hull thickness measurements, the inspection tasks conducted by crew members have not yet been fully replaced by drones.

In order to enable FPSOs and other offshore platforms to operate safely for more than 20 years, maintaining asset integrity*¹ is crucial. While periodic structure inspections are indispensable, there is a constraint that the inspection work must be performed in parallel with production operations by a limited number of crew members. Consequently, reducing manpower has become a shared challenge across the industry.

MODEC and Terra Drone have engaged in extensive technical discussions, identifying improvement areas based on field feedback, and agreed to pioneer in developing drone inspection technology tailored to the harsh environments of offshore platforms. The goal is to fully replace manual inspections of crude oil storage tanks with drones in the near future. By innovating drone inspection techniques, MODEC and Terra Drone aim, in the short term, to triple inspection efficiency and reduce inspection costs. Through these initiatives, we hope to deploy this drone inspection technology not only on MODEC-operated FPSOs but also widely throughout the industry, addressing shared industry challenges related to occupational safety and manpower reduction in offshore platform operations.

MODEC **TerraDrone**

Joint Development of Inspection Drones for Offshore Platforms

- 01 Triple Inspection Efficiency
- 02 Reduce Inspection Costs

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Contributing to Improving Occupational Safety and Reducing Manpower in the Industry



By virtue of this agreement, MODEC and Terra Drone will contribute to the sustainable operation of FPSOs and other offshore platforms from environmental, economic, and social perspectives by enhancing safety, reducing labor, and increasing efficiency in inspection operations.

*¹ Asset integrity: the ability of an asset to perform its intended function safely, effectively and in compliance with all relevant regulations, while minimizing risks to people, the environment, and the asset itself. It enables improvements in competitiveness and fosters sustainable growth.

About Terra Drone

Terra Drone is a pioneering drone and Urban Air Mobility (UAM) technology company headquartered in Japan, with the mission to [Unlock “X” Dimensions], creating a prosperous future by “crossing” bridges by integrating diverse fields to foster innovation and find solutions. Terra Drone’s proprietary technologies in drones, sensors, and software revolutionize industries globally, from oil and gas to agriculture. In July 2023, Terra Drone acquired a majority stake in Unifly, a world leading provider of Unmanned Aircraft Systems Traffic Management (UTM) systems, aiming to establish a digital infrastructure in the skies to maximize the potential of air mobility. For more information, please visit <https://terra-drone.net/global/>

About MODEC

MODEC is a leading contractor in Japan specializing in Engineering, Procurement, Construction and Installation (EPCI), leasing and operation and maintenance (O&M) services of floating offshore facilities used in offshore oil and gas development projects, including FPSOs. As a leading company, MODEC is exploring the next generation of inspection technology to address the challenges facing the industry as a whole. For more information, please visit <https://www.modec.com/>

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The information contained in this news release is true and accurate at the time of publication; however, it may be subject to change without prior notice.