



MODEC's FPSO Vessel Recognized by the World Economic Forum as Lighthouse of the 4th Industrial Revolution

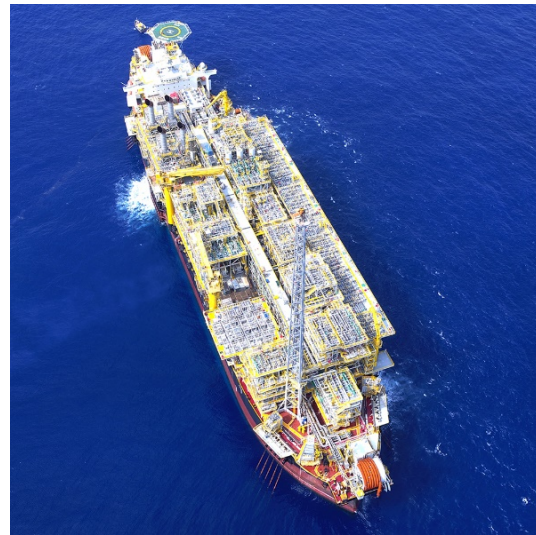
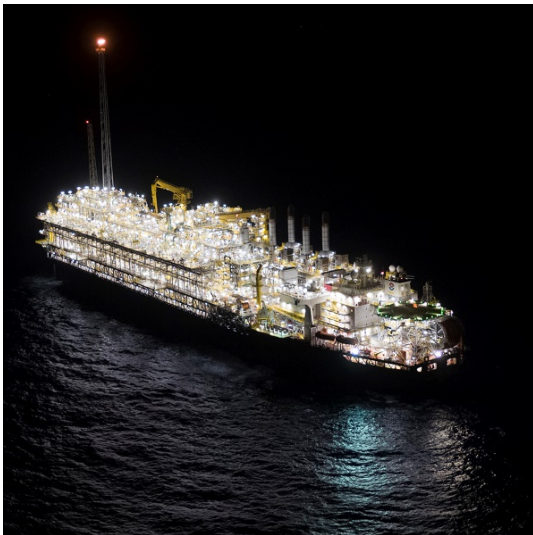
Tokyo, January 15, 2020 – MODEC, Inc. (“MODEC”) is pleased to announce that one of its Floating Production Storage and Offloading (FPSO) vessels has been selected by World Economic Forum, a Swiss-based non-profit foundation, to join the Global Lighthouse Network of leaders in applying the technologies of the Fourth Industrial Revolution.

The *FPSO Cidade de Campos dos Goytacazes MV29*, recognized by World Economic Forum this time, is deployed for operations in the Tartaruga Verde and Tartaruga Mestiça fields in the Campos Basin offshore Brazil. MODEC was responsible for the engineering, procurement, construction, mobilization and installation of the FPSO. MODEC has also been responsible for operations and maintenance of the FPSO since 2018.

The *FPSO Cidade de Campos dos Goytacazes MV29* is the only offshore facility which is recognized by the Global Lighthouse Network. Also this is the first time that a Latin American facility as well as a facility operated by a Japanese company is included in the network.

The selection of the *FPSO Cidade de Campos dos Goytacazes MV29* as a Lighthouse of the Fourth Industrial Revolution honors the fleet digitalization project together with thorough change management of culture and operations excellence, developed by MODEC in response to its rapid growth in Brazil. Today, the company has 10 operating vessels in Brazil and four (4) others are under construction. Globally, the company has one of the largest fleet of its segment, with 17 vessels, and is present in Africa, Asia, and Oceania.

The digitalization allows the company to better integrate its fleet, making the operations safer and more efficient. With more than 10 thousand sensors installed in each vessel, MODEC has boosted production leveraging Advanced Analytics for predictive maintenance, a digital twin of its process plant and a proprietary data platform to accelerate development and deployment of new algorithms. These techniques allowed for 65% downtime reduction in the *FPSO Cidade de Campos dos Goytacazes MV29* from the beginning of the production for example, making this facility a leader in the industry.





“We have a great amount of data from our operations in Brazil and, with the help of digital tools, we can anticipate issues and ensure the safe and steady operations of our fleet,” explained Soichi Ide, MODEC Group’s Chief Digital Officer and Vice-President of Operations in Latin America and Ghana. “Processing this data brought tangible advancements to MODEC’s operations, such as the use of machine learning to conduct predictive maintenance in equipment and early identification of problems in our processing plant. This was enabled by digitally empowered people on the platform as well as onshore support team.”



The recognition of the World Economic Forum reinforces Brazil's position in the world’s energy market as a high technology reference in the offshore segment. Today, the country is in the spotlight of the sector because of its prospects for the coming years. In 2019, Brazil reached a total production of over 3.5 million barrels of oil and gas per day, according to ANP (Petroleum National Agency). In MODEC’s projections, the country should demand 20-30 new floating platforms in the next four (4) years.

“This recognition honors a long history of MODEC's commitment to Brazil and our clients in oil and gas production segment,” commented Yuji Kozai, President and CEO of MODEC. “We understand that the adoption of the disruptive technologies and accepting new way of doing things to improve our operations is critical to respond the strong demand projected for the coming years. We also believe that digitalization is the key driver to reinforce one of our important business strategies to pursue the maximization of the value which we provide with stakeholders through the whole life of each production facility, from engineering to operations. We want MODEC to be a reference and help the oil and gas industry to take the next step in the digital transformation process.”





About MODEC

MODEC has been providing comprehensive and competitive solutions for the offshore oil and gas industry and is recognized by oil companies around the world as a leading specialist for floating oil and gas production systems such as FPSO and FSO. With over 50 years of experience in the market, the company operates in Brazil since 2003 and has more than two thousand employees in the country. MODEC is responsible for producing over 35% of the Brazilian pre-salt.

About the Global Lighthouse Network

The Global Lighthouse Network is a community of production sites and other facilities that are world leaders in the adoption and integration of the cutting-edge technologies of the Fourth Industrial Revolution (4IR). Lighthouses apply 4IR technologies such as artificial intelligence, 3D-printing and big data analytics to maximize efficiency and competitiveness at scale, transform business models and drive economic growth, while augmenting the workforce, protecting the environment and contributing to a learning journey for all-sized manufacturers across all geographies and industries.

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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.