



## **Suspension of Participating Eligibility from Petrobras' Competitive Bidding**

**Tokyo, April 1, 2021** – MODEC, Inc. (“MODEC”) has received a notification from Petróleo Brasileiro S.A. (“Petrobras”) that its eligibility to participate in new competitive bidding by Petrobras has been suspended for 13 months from March 31, 2021.

According to the notification, the main basis for this administrative sanction is losses to Petrobras presumably caused by the performance of three (3) Floating Production Storage and Offloading (FPSO) vessels under charter services that MODEC has provided in the past and/or is presently providing to Petrobras.

These FPSOs are the *FPSO Cidade do Rio de Janeiro MV14*, whose charter contract expired in 2019, and two (2) FPSOs which are currently chartered to Petrobras, namely, the *FPSO Cidade de Niterói MV18* and the *FPSO Cidade de Santos MV20*, according to the notification.

There is no expectation of further developments or implications, including on MODEC’s financials, as this administrative sanction does not impact the execution of the current contracts in place between MODEC and Petrobras. MODEC remains committed to improving its practices, in order to eliminate any issues in its activities under the current contracts.

MODEC continues to see Brazil as its main and most promising market, and reaffirms its commitment to the oil and gas sector, with the excellence that has always been linked to its name during the more than 15 years in Brazil, with its employees, customers and suppliers.

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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.