

## **TOYO Awarded Letter of Intent for Offshore Brazil FPSO utilizing CCS Technology**

November 1, 2010

Toyo Engineering Corporation

MODEC and TOYO Offshore Production Systems Pte. Ltd. (MTOPS), a joint company created by Toyo Engineering Corporation (TOYO, President and CEO Yutaka Yamada) and MODEC, Inc. (Chairman and CEO Kenji Yamada) and established in Singapore, has been awarded a letter of intent from MODEC for a topside processing facility to be installed on a floating production, storage and offloading (FPSO) system. The scope of the contract covers engineering, procurement, and fabrication and integration of modules. The first oil is forecasted for 1Q 2013, with efforts to anticipate to 2012.

This FPSO, with an oil production capacity of 120,000 BOPD, will be delivered offshore Brazil and used to develop the Guara offshore area in the BM-S-9 block under concession to the consortium comprised of the following three companies: Petrobras (45%), BG Group (30%) and Repsol (25%). This facility uses the environment-conscious Carbon Dioxide Capture and Storage (CCS) technology that dissociates CO<sub>2</sub> in the produced gas and returns it to the reservoir.

MODEC is a leading FPSO contractor with top-level credentials and has successfully delivered six FPSOs to Brazil. This is the fourth order for a FPSO that TOYO and MODEC have formed an alliance for, and is the 26th project for TOYO in Brazil. TOYO is striving to expand its business in the oil and gas upstream and offshore oil and gas fields production sectors. TOYO aims to secure more FPSO projects in close cooperation with MODEC.

< Contacts >

Mr. Hirofumi Kawagoshi, TEL: +81-47-454-1113

Corporate Communications Division, Toyo Engineering Corporation

