



January 6, 2009

OP'S ADVISORY TO SHIPPING No. A-01-2009

TO : All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – DECEMBER 2008

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	292
b. Pilots in Training	0
c. Tugs	32
d. Locomotives	100

2. Traffic Statistics:

	<u>Average Daily</u>	<u>High Daily</u>	<u>Low Daily</u>
Arrivals	34.61	47	22
Oceangoing Transits	36.26	44	29
Canal Waters Time (hours)	31.36	49.74	15.57
In-Transit Time (hours)	11.03	13.27	7.80

Distribution of Oceangoing Transits:	<u>Total</u>	<u>Average Daily</u>	<u>Percentage</u>
Vessels of less than 91' Beam	490	15.81	43.59
Vessels 91' Beam and Over	634	20.45	56.41
Total of Oceangoing Transits:	1124	36.26	
Vessels 100' Beam and Over	539	17.39	47.95
Vessels 900' Length and Over	142	4.58	12.63

Note: For the purpose of this report, the term "oceangoing transits" is equivalent to the number of locomotive transits.

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
Large Vessels (beam 91' and over)	511*	455* ¹	89.04
Regular Vessels (beam < 91')	240*	223* ¹	92.92

*Does not include additional auctioned booking slots

¹ Includes booked transits only

3. The following page provides the scheduled locks maintenance work and other items of interest to the shipping community.

4. This advisory will be canceled for record purposes on January 31, 2009.

ORIGINAL SIGNED

Manuel E. Benítez
Executive Vice President of Operations

ONE YEAR SCHEDULE OF LOCKS MAINTENANCE WORK						
Dates	Days	Miraflores	Pedro Miguel	Gatun	Estimated Transit Capacity	Status
July 14-19, 2009	6		Lane Outage		26-28	Tentative

* **Note:** Actual transit capacity will depend on vessel mix.

Transit Capacity: The normal capacity of the Panama Canal is 38 transits per day. This capacity is reduced during locks maintenance work, as indicated in the above table. Consequently, vessels may experience delays in transiting. Normally, during these periods, the Panama Canal Transit Reservation System slots are fully utilized. Whenever a set of locks requires a major outage of one of its two lanes for dry chamber inspection, miter gate repairs, tow track work or other major maintenance/improvement projects, advantage may be taken of this requirement to perform simultaneous single lane outages for additional maintenance at other locks.

CANAL EXPANSION CONTRACT AWARDED AFTER FINANCING PACKAGE APPROVAL

Shortly after five international development agencies agreed to finance the Panama Canal expansion project, the Panama Canal Authority (ACP) awarded the third of four dry-excavation contracts to create an access channel linking the new Pacific side locks with the 9-mile-long Gaillard Cut, the waterway’s narrowest stretch. The Canal expansion consists of a new lane of traffic along the waterway through the construction of a new set of locks, which will allow the transit of longer and wider ships.

Representing Asia, Latin America, Europe and the United States, agencies’ leaders joined Panamanian President Martin Torrijos, ACP Administrator/CEO Alberto Alemán Zubieta and the ACP Board of Directors for the signature of the \$2.3-billion financing package that will cover part of the project’s estimated cost of \$5.25-billion. The remaining amount for the project will be financed through Canal revenues.

“Today we have reached a major milestone for both the Canal and our country,” said Mr. Alemán Zubieta. “The support of these major lenders for the largest infrastructure project in Latin America is truly encouraging and inspiring. Thank you for the trust and confidence you have demonstrated for Panama.”

The Canal expansion financing structure includes favorable provisions for the ACP, which includes a 20-year amortizing period with a 10-year grace period. The five development agencies supporting the project are the Japan Bank for International Cooperation, European Investment Bank, Inter-American Development Bank, Corporación Andina de Fomento and International Finance Corporation.

The recently granted dry-excavation contract encompasses excavation, removal and disposal of 8 million cubic meters of material, construction of approximately 2.5 kilometers of access roads and clearing 190 hectares of land bearing explosives remnants from former U.S. military training in Panama. The ACP awarded the \$36.6-million contract to the lowest bidder, Constructora MECO, S.A., a Costa Rican firm established in Panama since 1995.

“This pivotal step in the process to build the new lane represents just one more example of the expansion program’s steady progress. Constructora MECO, S.A. is a leading construction company in Latin America with expertise in the execution of infrastructure projects such as this one,” said ACP Executive Vice President of Engineering and Program Management Jorge L. Quijano. “The interest received for the Canal expansion’s various elements demonstrates the industry’s desire to make history and work on a very interesting and unique project.”

Since the handover of the Canal on December 31, 1999, the ACP has shifted its operations from a non-profit utility to a market-oriented business model – one that is focused on customer service and reliability. Under ACP management, there has been a reduction in the time it takes to transit the Canal, an increase in tonnage transiting the waterway and a spike in transits of Panamax-size vessels.