

**AUTORIDAD DEL CANAL DE PANAMÁ
EXECUTIVE VICE PRESIDENCY FOR OPERATIONS**

ADVISORY TO SHIPPING No. A-02-2014

January 3, 2014

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Commitment to the Expansion Program

The Panama Canal Authority (ACP) reaffirms its commitment to the international maritime community and its customers to successfully complete the Expansion Program, thereby fulfilling its objective in offering a new era of opportunities to world maritime commerce.

To date, the Expansion Program has an overall completion rate of 72 percent and the new locks project, which is one component of the Expansion Program, is 65 percent complete. The project is expected to be open to commercial transits by mid-2015.

In recent statements to the press, the contractor of the new locks, Grupo Unidos por el Canal, S.A. (GUPCSA), has expressed its intention to negotiate outside the terms of the contract, demanding additional funds, due to alleged cost overruns. The ACP trusts that the contractor will comply with the terms and conditions agreed upon and that they file any claims through the three-step process explicitly established within the contract. The ACP maintains the position that GUPCSA honors the contract that was agreed upon.

We would like to reassure our customers that the contract was well drafted and includes guarantees for the completion of the new locks, even if the ACP is ultimately required to assume control of the project and deliver it within the shortest possible timeframe.

Our customers are our number one priority and we will seek to resolve this conflict in the best possible manner within the legal framework of the contract to ensure that the construction continues and that the Expansion Program is completed.

Rest assured that the above mentioned situation with a contractor in one of the Canal Expansion projects has no impact upon our current Canal operations.

Sincerely

ORIGINAL SIGNED

Jorge L. Quijano
Administrator / CEO