

ADVISORY TO SHIPPING No. A-42-2016

August 8, 2016

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – JULY 2016

1. Panama Canal Statistical Summary:

a. Transit Pilot Force	<u>280</u>
b. Pilots in Training	<u>0</u>
c. Tugs	<u>46</u>
d. Locomotives	<u>100</u>

2. Traffic Statistics:

	<u>Daily Average</u>	<u>High</u>	<u>Low</u>
Arrivals	<u>29.97</u>	<u>46</u>	<u>17</u>
Oceangoing Transits	<u>30.52</u>	<u>36</u>	<u>24</u>
Canal Waters Time (hours)	<u>25.22</u>	<u>36.82</u>	<u>19.21</u>
In-Transit Time (hours)	<u>10.53</u>	<u>13.34</u>	<u>8.95</u>

Oceangoing Transits:	<u>Total</u>	<u>Daily Average</u>	<u>Percentage</u>
Vessels of less than 91' beam	<u>221</u>	<u>7.13</u>	<u>23.36</u>
Vessels 91' beam and over	<u>666</u>	<u>21.48</u>	<u>70.40</u>
**Neopanamax Vessels (beam107' and over)	<u>59</u>	<u>1.90</u>	<u>6.24</u>
Total:	<u>946</u>	<u>30.52</u>	<u>100.00</u>

Booking Slots:	<u>Available</u>	<u>Used</u>	<u>Percentage</u>
**Neopanamax Vessels (beam 107' and over)	<u>124</u>	<u>57</u>	<u>45.97</u>
Large Vessels (beam 91' and over)	<u>527*</u>	<u>361*¹</u>	<u>68.50</u>
Regular Vessels (beam less than 91')	<u>248*</u>	<u>129*¹</u>	<u>52.02</u>
Regular Vessels (up to 300' in length)	<u>0</u>	<u>0</u>	<u>0.00</u>
Auctioned booking slots	<u>2</u>	<u>1</u>	<u>50.00</u>

*Does not include additional auctioned booking slots

¹ Includes booked transits only

**Beginning 26-jun-2016

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 August 31, 2016.

ORIGINAL SIGNED

Eduardo G. Hevia
Executive Vice President
for Operations (i)

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SCHEDULE OF LOCKS MAINTENANCE OUTAGES							
Dates	Days/Hrs	Miraflores	Pedro Miguel	Gatun	Estimated Capacity	Expected Booking Condition	Status
3-5 August 2016	3 days	West Lane*	West Lane [#]		22-24***	2	Completed
10, 11, 17, 18 August 2016	4 hours per day	West Lane ^{&}				1	Confirmed
23-26 August 2016	4 Days	West Lane*		East Lane **	22-24***	2	Tentative
31 August, 1, 7, 8 September 2016	4 hours per day	West Lane ^{&}				1	Tentative
21-23 Sept. 2016	3 Days		West Lane [#]	West Lane *	22-24***	2	Tentative

The normal transit capacity of the Panamax locks is 35-37 vessels per day, depending on vessel mix and other factors. This capacity is reduced during locks maintenance work, as indicated in the above table. Consequently, vessels may experience delays in transiting. When the Panama Canal's capacity is expected to be reduced, a corresponding reduction in the number of available reserved transit slots may be ordered by the Canal Authority. 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 to perform simultaneous single lane outages at other locks.

* In order to perform scheduled dry chamber works.

** In this simultaneous work there are only 3 days required for Gatun.

12 hours of simultaneous work for maintenance activities.

& 4 hours extended windows each day for gates maintenance.

***The estimated capacity referred here is for the panamax locks

First-ever LNG Vessel Transits the Expanded Panama Canal, on June 26, 2016, ushering in New Era for the Segment and Global LNG Trade

The Panama Canal marked another milestone June 26, 2016, with the transit of the first-ever liquefied natural gas (LNG) carrier through its expanded locks. The Shell-chartered LNG carrier MARAN GAS APOLLONIA, measuring 289 meters in length and 45 meters in beam, arrived Monday, June 26th, from Sabine Pass LNG Terminal on the U.S. Gulf Coast, signaling the arrival of the highly-anticipated segment to the waterway.

The MARAN GAS APOLLONIA is the first transiting vessel to be awarded by the Panama Canal the Green Connection Award in recognition to their commitment to emissions reductions by using the Panama Canal route and its contribution to the protection and conservation of the environment. By transiting the Panama Canal Green Route, vessels contribute to the environment by using a shorter route, thus reducing CO2 emissions.

"The transit of the first LNG vessel through the new Panama Canal locks is a milestone in the waterway's history," and the "LNG trade will greatly benefit from the Expansion, and we look forward to welcoming even more LNG vessels through our great waterway. This transit marks the beginning of a new era that will result in cleaner and lower cost energy for the world." said Panama Canal Administrator and CEO Jorge L. Quijano.

José Ramón Arango, Senior Specialist for the Liquid Bulk Segment at the Panama Canal Authority stated, "The Panama Canal makes history today with the opening of its gates to new opportunities for world energy with the transit of the first LNG vessel. Our reliable connection is an important enabler in the development of new LNG trade by reducing the distances that link world LNG markets and providing access to clean energy resources."

The Expanded Canal can accommodate 90 percent of the world's LNG tankers, which will have a major impact on global LNG flows and offer numerous benefits to shippers.

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With the United States poised to become one of the world's top LNG exporters within the next five years, the Canal can accommodate vessels departing the U.S. East and Gulf Coast for Asia, with a significant reduction in voyage time (up to 22.8 days roundtrip), making U.S. gas deliveries to major Asian importers very competitive. Vessels departing the U.S. Gulf Coast for the West Coast of South America will similarly experience a generous reduction in voyage time.

LNG ships from the production plants in Trinidad and Tobago can use the Expanded Canal to travel to Chile where LNG is regasified and distributed for energy-producing purposes, saving an average of 6.3 days in transit time, when compared to the Magellan Strait.

The Canal instituted a new tolls structure offering a substantial cost savings to LNG vessels conducting round-trip voyages, with new tolls that reduce ballast fees for LNG customers who use the same vessel for a round-trip voyage, as opposed to using an alternate route, as long as the transit in ballast is made within 60 days after the laden transit was completed.

In addition to this first LNG transit, to date, the Expanded Panama Canal has transited 71 Neopanamax vessels, to include two additional liquefied natural gas (LNG) vessels, 25 liquefied petroleum gas (LPG) vessels, 42 containerships and 3 vehicle carriers. The number of reservations the Canal has received thus far from various Neopanamax vessels is more than 240, and growing. This demand increase is evidence of the maritime industry's continued trust in the Expanded Canal and the impact it will have on the future of global maritime trade.