May 10, 2004

MR’S ADVISORY TO SHIPPING No. A-21-2004

TO: All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – APRIL 2004

1. Statistical Summary:
   a. Transit Pilot Force ............................................................... 279
   b. Pilots in Training ............................................................... 0
   c. Tugs ................................................................. 24
   d. Locomotives .......................................................... 100
   e. Traffic Statistics (Preliminary):
      Average Daily  High Daily  Low Daily
      Arrivals 37.07 49 28
      Oceangoing Transits* 37.90 42 30
      Canal Waters Time (hours) 24.12 34.10 16.77
      In-Transit Time (hours) 9.83 11.65 8.42
      Booked Transits 566 323 243

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

2. Scheduled Locks Outages:

<table>
<thead>
<tr>
<th>Dates</th>
<th>No. of Days</th>
<th>Miraflores</th>
<th>Pedro Miguel</th>
<th>Gatun</th>
<th>Daily Transit Capacity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 31 – June 10, 2004</td>
<td>11</td>
<td>Lane Outage (3d)</td>
<td>Lane Outage</td>
<td>26 – 28</td>
<td>Confirmed</td>
<td></td>
</tr>
<tr>
<td>July 5-15, 2004</td>
<td>11</td>
<td>Lane Outage</td>
<td>Lane Outage</td>
<td>26 – 28</td>
<td>Tentative</td>
<td></td>
</tr>
<tr>
<td>August 1-9, 2004</td>
<td>11</td>
<td>Lane Outage</td>
<td>Lane Outage</td>
<td>26 – 28</td>
<td>Tentative</td>
<td></td>
</tr>
<tr>
<td>Sept 13-23, 2004</td>
<td>11</td>
<td>Lane Outage</td>
<td>Lane Outage</td>
<td>26 – 28</td>
<td>Tentative</td>
<td></td>
</tr>
<tr>
<td>Oct 18-28, 2004</td>
<td>11</td>
<td>Lane Outage</td>
<td>Lane Outage</td>
<td>26 – 28</td>
<td>Tentative</td>
<td></td>
</tr>
</tbody>
</table>

   Note: Whenever a set of locks requires a major outage of one of its two lanes for dry chamber inspection, valve gate repair, tow truck 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.

   Transit Capacity: The normal capacity of the Panama Canal is 38 vessel transits per day. This capacity is reduced during locks outages, as indicated in the above table. Consequently, vessels may experience delays in transiting. Normally, during these periods, the Panama Canal Vessel Transit Reservation System slots are fully utilized. Two-day lane outages have no significant impact on Canal vessel backlog, therefore are not normally included in this chart.

3. See reverse for items of interest to the shipping community.
4. This advisory will be canceled for record purposes on May 31, 2004.

ORIGINAL SIGNED

Jorge L. Quijano
Maritime Operations Director

COPY OF ALL ADVISORIES ARE AVAILABLE IN THE PANAMA CANAL WEB PAGE AT http://www.panamacanal.com FOR ETAS OR DIRECT COMMUNICATION WITH OUR OFFICES REFER TO NOTICE N-3-2004
ITEMS OF INTEREST FOR THE SHIPPING COMMUNITY

CANAL PERFORMANCE

In April 2004, oceangoing transits totaled 1136, or a daily average of 37.9. Transits by wide-beam vessels (30.48 meters/100 feet in beam and over) totaled 445, or 39.2 percent of all oceangoing transits. The average Canal Waters Time (CWT) was 24.12 hours.

PANAMA CANAL AUTHORITY ANNOUNCES FISCAL YEAR 2004 SECOND QUARTER METRICS

TONNAGE, REVENUE INCREASE; RISE IN PANAMAX VESSEL TRANSITS

The Panama Canal Authority (ACP) announced their second quarter (Q2) operational metrics for fiscal year 2004. Q2 data reveals an increase in tonnage flow and a rise in Panamax vessel (the maximum size vessel that can pass through the Canal) transits. Moreover, there was a notable increase in Canal revenue. These metrics are based on operations from January through March of 2004, the second quarter of the ACP’s 2004 fiscal year.

Panama Canal/Universal Measurement System (PC/UMS) tonnage increased this quarter by 7.8 percent – to 68,188,071 PC/UMS tons compared with 63,268,516 PC/UMS tons reported in Q2 FY2003. A record set on March 16, 2004, of more than one million (1,005,551) net PC/UMS tons transited through the Canal in one day helped to bolster these numbers.

Total transits increased 7.8 percent – to 3,842 transits this quarter from 3,565 reported in Q2 FY2003. Among these transits, there was a six percent boost in Panamax vessel traffic – to 1,310 vessels from 1,236. Total revenue for Q2 FY2004 increased 12.8 percent – to $193.6 million from $171.6 million in Q2 FY2003.

There was a 17.5 percent increase in container tonnage – to 13,006 tons* from 11,071 tons* reported in Q2 FY2003. Crude oil increased 51.3 percent – to 1,353 tons* from 894 tons*.

Container tonnage continues to rise due to increased trade between the United States and Asia. Movement of crude oil through the Canal continues to increase due to economic demand.

(*Note: These figures are reported in thousands of long tons.)

“The Canal’s position as a leader in international trade continues to progress. Our operational improvements and capital investments continue to yield great results. We continue to strive to meet the needs of our clients: improving reliability, safety and efficiency,” said Administrator Alberto Alemán Zubieta.

Maintenance and capital improvement initiatives, as well as increases in Panamax traffic and tonnage, led to a rise in Canal Waters Time (CWT), the average time it takes a vessel to navigate the Canal including waiting time for passage. Total CWT increased 16 percent – to 24.6 hours in Q2 FY2004 from 21.2 hours in Q2 FY2003, while CWT for booked vessels increased 2.8 percent – to 16.32 from 15.88 hours. The improvement projects are part of the permanent modernization program and will ultimately lower future CWT and enhance Canal efficiency.

Four official accidents were reported this quarter; none were reported Q2 of FY2003. Five official accidents were reported for the combined period of Q1 and Q2 FY2004, compared with four reported in Q1 and Q2 FY2003. An official accident is one in which a formal investigation is requested and conducted.