July 11, 2005

MR’S ADVISORY TO SHIPPING No. A-22-2005

TO: All Steamship Agents, Owners, and Operators

SUBJECT: MAJOR LOCKS OUTAGES – TENTATIVE SCHEDULE FY-2006

1. The maintenance of the locks of the Panama Canal is essential for the long-term viability of the waterway. Maintenance work requiring locks lane outages, such as the ongoing tow track replacement at all locks, affects the Canal daily average transit capacity and are of concern to our customers and Canal officials. However, the tow track replacement project is almost complete, and will only require two more outages during FY 2006.

2. In order to minimize the impact of these outages, as well as to assist Canal customers with their planning efforts, a tentative schedule of outages for next Fiscal Year 2006 is hereby provided. Confirmation on outage dates will be published as dates become firm.

| Tentative Schedule of Locks Outages for FY 2006 |
|-----------------|-------|-------|--------|--------|--------|--------|
| Dates           | Outage Days | Miraflores | Pedro Miguel | Gatun       | Transit Capacity | Status |
| August 15 – 26, 2006 | 8     |          |          | Lane Outage | 26 - 28          | Tentative |
| September 12 – 20, 2006 | 9     |          |          | Lane Outage | 26 - 28          | Tentative |

3. The normal transit capacity of the Panama Canal is 38 vessel transits per day; however, this capacity is reduced during locks outages. Depending on the mix of ships, the approximate capacity for each lock lane is shown in the table above. Consequently, vessels may experience delays in transiting during locks outages. Canal daily transit capacity is defined by the most constraining condition that exists during a particular locks outage combination. Normally, during these outages, the Panama Canal Vessel Transit Reservation System slots are fully utilized.

4. Two-day locks lane outages have no significant impact on Canal capacity or vessel backlog, since the effects are negligible and not distinguishable from the daily variations attributable to arrival surges, ship mix, weather conditions, vessel discrepancies or Canal schedule deterioration, and as a result, are not published in the above chart.

5. Locks outages are normally scheduled from June to October, which historically are periods of low traffic levels. The specific dates for these outages are subject to adjustments, depending on prevailing transit demands, urgency of repairs, and other circumstances. Resource augmentation will be provided when deemed necessary, and as required, rules governing the Transit Booking System will be applied.

ORIGINAL SIGNED

Jorge L. Quijano
Maritime Operations Director

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