November 7, 2005

MR’S ADVISORY TO SHIPPING No. A-40-2005

TO: All Steamship Agents, Owners, and Operators

SUBJECT: Monthly Canal Operations Summary – OCTOBER 2005

1. Panama Canal Statistical Summary:

   a. Transit Pilot Force ................................................................. 275
   b. Pilots in Training ................................................................. 0
   c. Tugs ................................................................................. 24
   d. Locomotives ................................................................. 100

2. Traffic Statistics:

   Arrivals .............................. 32.12 .............................. 42 .............................. 21
   Oceangoing Transits .......... 31.68 .............................. 37 .............................. 23
   Canal Waters Time (hours) 19.78 .............................. 28.85 .............................. 13.51
   In-Transit Time (hours) 9.75 ................................................................. 14.97 .............................. 7.76

   Distribution of Oceangoing Transits:

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>Average Daily</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessels of less than 80’ Beam</td>
<td>280</td>
<td>9.03</td>
<td>28.51</td>
</tr>
<tr>
<td>Vessels 80’ Beam and Over</td>
<td>702</td>
<td>22.65</td>
<td>71.49</td>
</tr>
<tr>
<td>Total of Oceangoing Transits</td>
<td>982</td>
<td>31.68</td>
<td></td>
</tr>
</tbody>
</table>

   Vessels 100’ Beam and Over 481 15.52 48.98
   Vessels 900’ Length and Over 121 3.90 12.32

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

3. See next page for scheduled locks maintenance work and items of interest to the shipping community.

4. This advisory will be canceled for record purposes on November 30, 2005.

ORIGINAL SIGNED

Arcelio H. Hartley
Acting Maritime Operations Director
Scheduled Locks Maintenance Work:

<table>
<thead>
<tr>
<th>Dates</th>
<th>Miraflores</th>
<th>Pedro Miguel</th>
<th>Gatun</th>
<th>Transit Capacity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov. 7-17/06</td>
<td>Lane w-restrictions (10d)</td>
<td>36 (10d)</td>
<td>36 (10d)</td>
<td></td>
<td>Confirmed</td>
</tr>
<tr>
<td>Jun. 14-23/06</td>
<td>Lane w-restrictions (10d)</td>
<td>36 (10d)</td>
<td>36 (10d)</td>
<td></td>
<td>Tentative</td>
</tr>
<tr>
<td>July 11-20/06</td>
<td>Lane w-restrictions (10d)</td>
<td>36 (10d)</td>
<td>36 (10d)</td>
<td></td>
<td>Tentative</td>
</tr>
<tr>
<td>Aug. 12-14/06</td>
<td>Lane w-restrictions (3d)</td>
<td>36 (3d)</td>
<td>36 (3d)</td>
<td></td>
<td>Tentative</td>
</tr>
<tr>
<td>Aug. 15-19/06</td>
<td>Lane Outage (5d)</td>
<td>26-28 (5d)</td>
<td>26-28 (5d)</td>
<td></td>
<td>Tentative</td>
</tr>
<tr>
<td>Aug. 20-24/06</td>
<td>Lane w-restrictions (5d)</td>
<td>36 (5d)</td>
<td>36 (5d)</td>
<td></td>
<td>Tentative</td>
</tr>
<tr>
<td>Sept. 12-19/06</td>
<td>Lane Outage (6d)</td>
<td>26-28 (6d)</td>
<td>26-28 (6d)</td>
<td></td>
<td>Tentative</td>
</tr>
</tbody>
</table>

Transit Capacity: The normal capacity of the Panama Canal is 38 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 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/renovation projects, advantage may be taken of this requirement to perform simultaneous single lane outages for additional maintenance at other locks. Two-day lane outages have no significant impact on Canal vessel backlog, therefore are not normally included in this chart.

PANAMA CANAL AUTHORITY ANNOUNCES FISCAL YEAR 2005 METRICS

RECORD CANAL TONNAGE—DROP IN TRANSIT TIME—INCREASE IN TRANSITS BY LARGE VESSELS

The Panama Canal Authority (ACP) announces operational metrics for fiscal year 2005 (FY 05), which runs from October through September. Year-end statistics reveal a significant drop in Canal Waters Time (CWT), the average time it takes a vessel to navigate the Canal, including waiting time for passage. Moreover, the numbers show a rise in total tonnage and an increase in transits by vessels 900 feet or more in length, overall.

Overall CWT for Panama Canal transits dropped 7.8 percent, compared to FY 2004 from 26.66 hours to 24.58 hours. CWT for booked vessels (those vessels holding reservations) remained unchanged, at 16.4 hours. Booked vessels account for more than 50 percent of oceangoing transits. Utilization of the booking system increased to 91.3 percent from 86.9 percent in FY 04.

This fiscal year the ACP set a Canal record by transiting 279.1 million Panama Canal/Universal Measurement System (PC/UMS) tons of cargo up from 266.9 million PC/UMS tons in FY 04. This 4.5 percent represents an increase of 12.2 million PC/UMS tons.

“These operational metrics – produced quarterly and annually – are critical tools for us to measure and analyze our business. They show where we are succeeding and where we need to improve. The fact that they show improvement is a testament to our world-class workforce – our employees work hard everyday to provide the best service to our customers,” said Administrator/CEO Alberto Aleman Zubieta. “We are proud of our recent success and are eager to continue initiatives under our Permanent Modernization Program.”

Overall transits remained steady at 14,011 from 14,035 in FY 04. Notwithstanding, the Canal saw a rise in transits by vessels 900 feet or more in length, overall. Transits by these vessels increased 10.1 percent from 1,190 to 1,310 transits. These numbers are largely attributed to the increased use of container vessels by shippers to transport goods to market – 97.8 million PC/UMS tons transited the Canal on containers in FY 05, a 13.1 percent increase over FY 04. Containers were followed by the dry grain segment, transiting 55.1 million PC/UMS tons in FY 05.

The official accident rates, which is one in which a formal investigation is requested and conducted, has slightly increased from 10 in FY 04 to 12 in FY 05.