June 6, 2008

OP’S ADVISORY TO SHIPPING No. A-17-2008

TO          :  All Steamship Agents, Owners, and Operators


1. Panama Canal Statistical Summary:

   a. Transit Pilot Force .................................................................274
   b. Pilots in Training ................................................................. 18
   c. Tugs ................................................................................. 27
   d. Locomotives .................................................................100

2. Traffic Statistics:

   Arrivals 35.84 50 20
   Oceangoing Transits 37.48 41 32
   Canal Waters Time (hours) 42.96 61.03 28.84
   In-Transit Time (hours) 13.23 16.79 10.89

   Distribution of Oceangoing Transits:

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Average Daily</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vessels of less than 91’ Beam</td>
<td>520</td>
<td>16.77</td>
<td>44.75</td>
</tr>
<tr>
<td>Vessels 91’ Beam and Over</td>
<td>642</td>
<td>20.71</td>
<td>55.25</td>
</tr>
<tr>
<td>Total of Oceangoing Transits:</td>
<td>1162</td>
<td>37.48</td>
<td></td>
</tr>
<tr>
<td>Vessels 100’ Beam and Over</td>
<td>521</td>
<td>16.81</td>
<td>44.84</td>
</tr>
<tr>
<td>Vessels 900’ Length and Over</td>
<td>139</td>
<td>4.48</td>
<td>11.96</td>
</tr>
</tbody>
</table>

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

   Booking Slots:

<table>
<thead>
<tr>
<th></th>
<th>Available</th>
<th>Used</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Vessels (beam 91’ and over)</td>
<td>465*</td>
<td>450*</td>
<td>96.77</td>
</tr>
<tr>
<td>Regular Vessels (beam &lt; 91’)</td>
<td>248*</td>
<td>233*</td>
<td>93.95</td>
</tr>
</tbody>
</table>

   *Does not include additional auctioned booking slots

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 June 30, 2008.

ORIGINAL SIGNED

Manuel E. Benítez
Executive Vice President of Operations
**Monthly Canal Operations Summary – MAY 2008**

*Note:* Actual transit capacity will depend on the type of restriction imposed during work.

**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/improvement projects, advantage may be taken of this requirement to perform simultaneous single lane outages for additional maintenance at other locks.

**PANAMA CANAL AUTHORITY RELEASES FISCAL YEAR 2008 SECOND QUARTER METRICS**

**PASSENGER, DRY BULK TRANSITS UP TOTAL TRANSITS AND TONNAGE DECREASE SLIGHTLY**

The Panama Canal Authority (ACP) released second quarter (Q2) operational metrics for fiscal year (FY) 2008. Total Canal transits and tonnage dropped slightly in Q2, but transits of passenger and dry bulk segments increased significantly. These metrics are based on operations from January through March 2008, the second quarter of the ACP's 2008 fiscal year, and are compared with Q2 of FY 2007.

Total Canal transits decreased 2 percent during Q2 – from 4,053 to 3,971 transits. Panama Canal/Universal Measurement System (PC/UMS) tonnage also dropped 2.6 percent – from 80.4 million PC/UMS tons to 78.4 million PC/UMS tons. Passenger transits increased 34.8 percent – from 92 to 124 transits, while dry bulk transits rose 6.7 percent, from 586 to 625 and dry bulk cargo tonnage increased 10.4 percent, from 12.3 to 13.5 million PC/UMS tons.

“The ACP is on strong operational and financial footing, and we anticipate continued steady progress with the Canal Expansion Program and other modernization projects. Work is advancing on-time and on-budget, and, in fact, some projects are moving ahead of schedule,” said ACP Vice President of Research and Market Analysis Rodolfo R. Sabonge.

“The slight drop in total transits and tonnage during the second quarter can be attributed in part to the slowdown in the U.S. economy and the subsequent decrease in cargo shipments to and from U.S. ports via the Canal. However, we have seen growth in other segments.”

The number of transits of containers, vehicle carriers, tankers and general cargo transits dropped when compared to figures for FY 2007. Refrigerated cargo transits slightly decreased by 1.4 percent, but refrigerated cargo tonnage increased 1.1 percent from 5.6 million PC/UMS tons to 5.7 million PC/UMS tons.

Canal Waters Time (CWT), the average time it takes a vessel to transit the Canal, including waiting time for passage, rose in Q2. A surge in arrivals during the waterway’s peak season, February through May, which coincided with maintenance work at the Pedro Miguel and Miraflores Locks caused a 32.8 percent increase in average CWT, from 27.40 hours to 36.39 hours. CWT for booked vessels, those ships holding reservations, increased 17.9 percent from 16.67 hours to 19.66 hours.

“Factors like weather conditions, maintenance work, the mix in vessels arriving and the impact of peak season have attributed to the rise in CWT,” said ACP Executive Vice President of Operations Manuel Benítez. “To reduce CWT, we implemented several measures, including adding more equipment and personnel, postponing non-critical maintenance work and increasing the number of slots for vessels transiting without reservation.”

The official accident rate increased slightly to 1.51 accidents per 1,000 transits during Q2. The accident rate during Q2 of FY 2007 was 1.23 accidents per 1,000 transits. An official accident is one in which a formal investigation is requested and conducted.

The use of the Canal’s modified booking system, which the ACP implemented February 1, remained relatively flat, decreasing from 96.26 percent to 94.23 percent.

### TENTATIVE SCHEDULE OF LOCKS MAINTENANCE WORK – ONE YEAR

<table>
<thead>
<tr>
<th>Dates</th>
<th>Days</th>
<th>Miraflores</th>
<th>Pedro Miguel</th>
<th>Gatun</th>
<th>Estimated Transit Capacity</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 18-25, 2008</td>
<td>8</td>
<td>Culvert Outage</td>
<td></td>
<td></td>
<td>28-32</td>
<td>Tentative</td>
</tr>
<tr>
<td>Sept. 15-22, 2008</td>
<td>8</td>
<td>Culvert Outage</td>
<td></td>
<td></td>
<td>28-32</td>
<td>Tentative</td>
</tr>
<tr>
<td>Nov. 17-26, 2008</td>
<td>10</td>
<td>Culvert Outage</td>
<td></td>
<td></td>
<td>28-32</td>
<td>Tentative</td>
</tr>
</tbody>
</table>

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