



*******PANAMA CANAL UPDATE*******

August 17th, 2006

RE: Lock Maintenance / Delays

The following is a revised schedule of maintenance from the Canal Authority:

Aug 15-19 (5 days) Gatun - lane outage
Aug 20-24 (5 days) Gatun - lane w-restrictions
Sept 12-19 (8 days) Gatun - lane outage

Next phase will commence Aug. 12 through Aug. 24 (13 days). Canal Authority shortly expected to place the Transit Reservation System (booking) at Condition 2 (reduced booking slots).

Waiting times for non-booked vessels during these dates and for some days after Aug. 24 could range 3 to 4 days.

Delays for non-booked ships at present about 48 hrs. Daily booking applications continue to exceed slots available.

Another lock maintenance phase is scheduled for Sept. 12-21 (10 days) Gatun - lane/w-restrictions.

RE: Transit Reservation System (booking)

For good order we repeat our synopsis of the regulations.

First period: 365 to 22 days before transit date.
Second period: 21 to 4 days before transit date.
Third period: 3 to 2 days before transit date.

When applications exceed slots available, booking slots are allocated on a tie breaking criteria of weighted ranking. Each Canal customer has a ranking comprised of total amount of tolls paid in the previous 12 months (60%) and total number of bookings in the previous 12 months (40%). Application for bookings are received by the Canal Authority every day at 0900 to 0930 hrs and submitted online or faxed. Any booking slots available after the 0930 hrs window are assigned on a first come first served basis.

Arrival deadline 0200 hrs (over 91 ft beam) 1400 hrs (under 91 ft beam). Failure to meet deadline triggers forfeiture of booking fee and scheduling without priority. The PCA will endeavor to transit a "late arrival" booked ship for a 200% surcharge on the booking, subject to operators' approval.

There is one additional booking slot made available every day through the auction process. The initial bid has been established at US\$ 25,000 for "supers" (over 91 ft beam) and US\$ 10,000 for "regulars" (under 91 ft beam) (see *Panama Flash* advices March 30/31 and May 30).

RE: Transit Reservation System (booking)

Transit booking slots will be reduced during this phase of maintenance:

Aug 13 and 14 available slots will reduce as follows:

Supers (over 91 ft beam) 15 to 13 slots

Regulars (under 91 ft beam) 8 to 6 slots

Aug 15 until Aug 20 Condition 2 will prevail, a further reduction of slots for supers.

Supers (over 91 ft beam) 13 to 10 slots

Regulars (under 91 ft beam) 6 slots (no change).

The one daily booking slot through the auction process will continue to be available - minimum initial bid US\$ 25,000 (supers) and US\$ 10,000 (regulars). Anticipate demand for the auction-booking slot will significantly increase the value.

Anticipate during this period of maintenance, Aug 12-24 (13 days), delays for non-booked vessels minimum 3 to 4 days.

ANY INFORMATION NEED IT DON'T HESITATE TO CONTACT US.

Thanks

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