

3654-A (OPXI) V. 4-2-2015

AUTORIDAD DEL CANAL DE PANAMÁ EXECUTIVE VICE PRESIDENCY FOR OPERATIONS

ADVISORY TO SHIPPING No. A-21-2015

August 1, 2015

TO : All Shipping Agents, Owners, and Operators

SUBJECT: Projected Possible Draft Restrictions due to "El Niño" Phenomenon

1. The Panama Canal Authority closely monitors the water levels of Gatun and Alhajuela lakes on a regular basis due to the importance that these resources have for transit operations.

2. With the onset of the "El Niño" phenomenon, great efforts have and are being invested in forecasts and estimates of the possible impact this weather phenomenon might have in Panama Canal operations. Additionally, the Panama Canal continues to invest considerable resources and is taking numerous water conservation measures in an effort to reduce the possibility of imposing draft restrictions in the near future as a result of this phenomenon.

3. The term "El Niño" refers to the large-scale ocean-atmosphere climate phenomenon linked to a periodic warming in sea-surface temperatures across the tropical Pacific. "El Niño" represents the warm phase of the "El Niño"/Southern Oscillation (ENSO) cycle, and is sometimes referred to as a Pacific warm episode. One of the main effects of "El Niño" is that it can alter rainfall patterns in many regions of the planet, causing excessive rains in some areas and droughts in others. In the Panama Canal this phenomenon generally is associated with the reduction in rainfall in the Canal watershed, thus causing the water levels of Gatun and Alhajuela lakes to fall below average levels.

4. Based on current and projected weather information, comprehensive analysis of historical data, and the expected impact of our water conservation measures, the Panama Canal has prepared a short and a long-range forecast of Gatun lake levels. These projections are being reviewed and adjusted on a daily basis. In case that the implementation of draft restrictions is deemed necessary, the shipping community will be informed by means of an Advisory to Shipping announcing the maximum allowable draft (TFW) and the effective date of the implementation of such restriction. This announcement will be made with sufficient time to allow vessels being loaded to comply with the restriction.

5. Draft restrictions will be imposed in 15-centimeter (six-inch) decrements at a time, each one announced with at least five weeks advance notice. Vessels already loaded to the prevailing draft limitation at the time of promulgation of the new draft restriction will be waived for transit, always subject to overriding safety considerations. Vessels loaded on or after the date of promulgation of a new draft restriction shall comply with that restriction or may be required to trim or off-load cargo, depending on the level of Gatun lake at the time of arrival. Canal officials will do everything possible to eliminate those restrictions at the earliest opportunity.

6. The above information is being provided for planning purposes only, as final actions will be based on actual lake level data.

ORIGINAL SIGNED

Esteban G. Sáenz Executive Vice President for Operations