

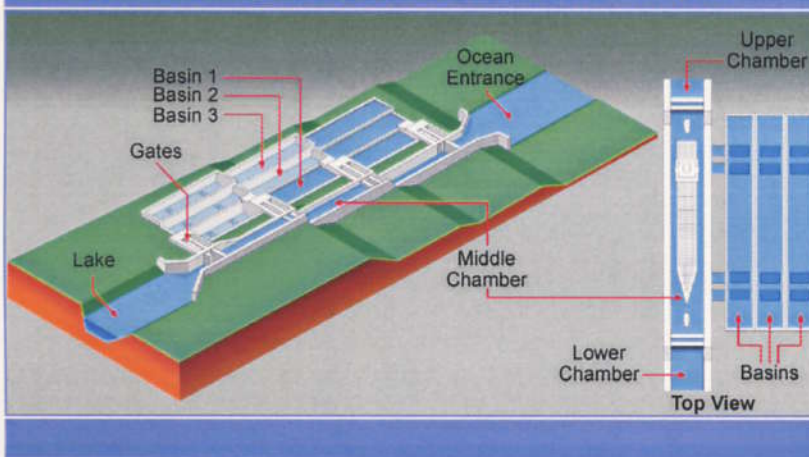
The New Panama Canal: A Better Way To Go

PANAMA CANAL EXPANSION – AN OVERVIEW

The Project: What It Is

The expansion will be the largest project at the Canal since its original construction. A Panama Canal expansion will double capacity and allow more traffic. The project will create a new lane of traffic along the Canal through the construction of a new set of locks. The Canal's entrances at the Atlantic and Pacific channels will be widened and deepened, as well as the navigational channel at Gatun Lake. One lock complex will be located on the Pacific side to the southwest of the existing Miraflores Locks. The other complex will be located to the east of the existing Gatun Locks.

Conceptual Isometric View of the New Locks Complex



Construction for the project is slated to conclude by 2014. All creative means will be employed by the Panama Canal Authority (ACP) to stretch capacity until the construction is done (the Canal's capacity is currently at 93 percent).

The ACP has determined that expansion will not interrupt current operations. During the construction process, no current lanes will be closed, and since all construction sites are outside of existing channels and operating areas, the ACP is confident that there will be no delays of transits.

Economic and Global Value

The expansion program is in response to the booming demand anticipated for the next 20 years. It is anticipated that expansion will double Canal capacity to more than 600 million Panama Canal tons.

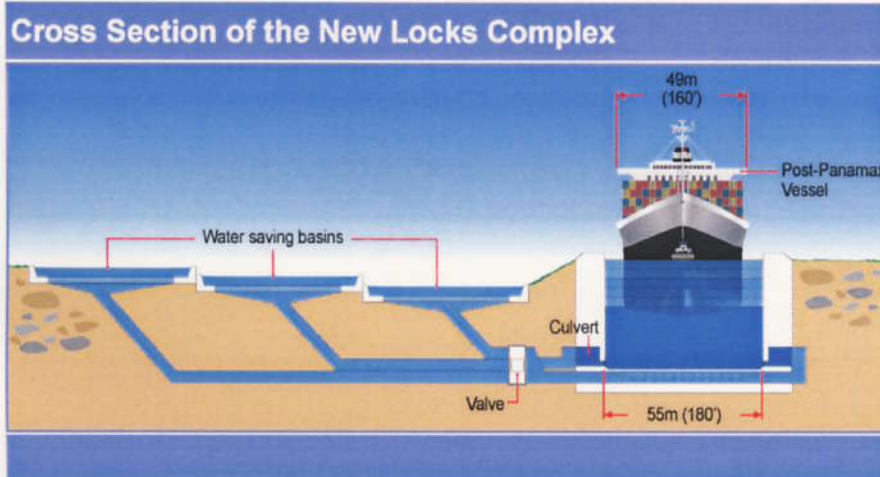
Shipping industry analyses conducted by the ACP and top industry experts indicate that it would be beneficial to both the Canal and its users to expand the Canal due to the demand that will be served by allowing the transit of more tonnage.

Financing the Project

The project is estimated to cost \$5.25 billion and will be paid entirely by users of the Canal through a graduated system of tolls.

Environmental Standards and Best Practices

The ACP undertakes all of its construction programs in accordance with world-class environmental standards and principles, and as a signatory of the UN's Global Compact.



In keeping with sustainable development principles and environmental management best practices, the Canal expansion will use unique water-saving basins to help preserve the freshwater resources along the waterway, reutilizing water from the basins into the locks. This technology eliminates the need for constructing dams, flooding and displacing communities along the Canal's Watershed.

The Decision Process

The ACP's Board of Directors has now presented its recommendation to expand the Canal to the President and the Cabinet Council of Panama. If approved by the Cabinet Council, the matter is referred to the National Assembly for approval. The National Assembly will then create a law mandating a referendum, in which the people of Panama will vote on expansion.