



PATTON, MORENO & ASVAT
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PMA NEWSLETTER

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ANNOUNCEMENT

MRS. MARIA DE LOURDES MARENGO, PRESIDENT OF THE PANAMA MARITIME LAW ASSOCIATION

Mrs. María de Lourdes Marengo, Managing Partner of our Firm, has been elected president for the period 2009-2010 of the Panama Maritime Law Association, a non-profit organization that brings together legal professionals who practice maritime law.



Mrs. Marengo has been an active member of the Association, serving as member of the board of directors in various occasions. She has contributed to convert the Association into an active organization which maintains a constant participation in the national arena and that has promoted the introduction of several regulations which have become national laws, collaborating in the growth of the National Merchant Marine and the establishment of Panama as an international ship-arrest forum. María de

Lourdes' skills and passion for the industry will be instrumental in the development and maintenance of a strong and prosperous association.

Mrs. Marengo has a Bachelor Degree in Law and Political Sciences from the Santa María La Antigua University and an LL.M. in Admiralty from Tulane University. A member of the New York State Bar, has been also listed by Who's Who Legal as world's 404 leading Shipping & Maritime lawyers.

BUSINESS OPPORTUNITIES IN PANAMA

THE PANAMA CANAL ANNOUNCES TRANSIT COSTS REDUCTION

The Panama Canal Authority (ACP) will implement temporary measures to reduce some transit costs through 30 September.

Effective 1 June, a 'ballast transit' will be redefined. Previously, ships paid the lower ballast transit rate if they had no cargo aboard. The new definition will allow payment of the ballast transit rate for vessels with up to 30% of cargo aboard. The ballast transit rate is \$57.60/teu, versus the laden rate of \$72/teu. Tolls are based on vessel capacity, which will not change.

The ACP has also revised the pricing of its booking system, which will be reduced based on vessel size. A 'super' vessel with a beam of 30m or more and length of 274m or more will have its base reservation price reduced by \$5,000/transit. Late fees have been revised, allowing more flexibility if ships fail to arrive on schedule. The ACP has also temporarily cut the deadline for transit slot substitutions from 60 to 30 days. The Panama Canal Authority will implement temporary measures to reduce some transit costs through 30 September.

COPA HOLDINGS REPORTS PROFITS RISE FOR QT 1, 2009

Copa Holdings SA's (CPA) first-quarter earnings rose 81% on stronger revenue and margins as the airline company also posted higher traffic and capacity.

Although many U.S. airlines have been cutting back capacity to align with a decline in demand, Copa and some other international airlines have fared better because of fewer flights and less competition to begin with.

The Latin American parent company of Panama's Copa Airlines and Colombia's Aero Republica posted income of \$71.6M up from \$39.5M, a year earlier. Revenue increased 4.3% to \$308.8M. Operating margin rose to 22.3% from 17.5%.

Consolidated load factor fell 3.6% to 74.4% as a 12% rise in traffic fell short of a 17% capacity increase.

SIEPAC PANAMA STRETCH TO BEGIN OPERATIONS IN JULY

The Panama stretch of Central America's SIEPAC grid will begin to operate in July, Honduras' state power company Enee reported.

The news followed a board meeting of Siepac's administrator EPR, which is currently chaired by Enee manager and Honduras energy minister Rixi Moncada, to update the interconnection project.

The Panama line will run 151km.

The entire US\$494M project is due to be operating mid-2010, the statement said. The 1,788km, 230kV line will connect Costa Rica (489km), El Salvador (287km), Guatemala (282km), Honduras (270km), Nicaragua (309km) and Panama, initially allowing 300MW of transactions, according to EPR. The project includes 15 substations.

EPR stakeholders include the respective state power companies in Guatemala (Inde), El Salvador (CEL and ETESAL), Honduras (Enee), Costa Rica (ICE and CNFL) and Nicaragua (Entresa); state transmission companies in Panama (ETESA) and Colombia (ISA); Mexico's CFE; and Spanish power company ENDESA.

PANAMA CANAL SIGNS MOU WITH PORT MANATEE AND BALTIMORE PORT

The Panama Canal Authority and Port Manatee officials inked a deal to take advantage of a massive expansion of the Panama Canal that could bring new commerce to the port along with thousands of new jobs in time.

Port Manatee officials say the agreement with the Panama Canal Authority will bring not only a new respect for the region's port among its peers but will open the doors at international container shipping companies and lure developers of warehouse space and distribution centers for major American retailers.

Port Manatee officials have spent \$150M to increase the port's capacity by half during the last decade, partly to be ready for the expected 2014 opening of a deeper and wider Panama Canal that will be able to handle today's larger container vessels, or ships deemed "post-Panamax."

The Panama Canal Authority also signed a Memorandum of Understanding (MoU) with the Maryland Port Administration to promote use of an all-water route between the Pacific Ocean and the Port of Baltimore. The MoU calls for the port administration and the Panama Canal to launch joint efforts on marketing and information-sharing. The Panama Canal is expected to play a more important role in trade between Asia and the East Coast after a project to expand the waterway is completed in 2014.

PANAMA IN THE INTERNATIONAL NEWS

PANAMA ADDS CAPACITY

JOURNAL OF COMMERCE

MAY 11, 09

The Panama Canal Authority said May 11 that a second tie-up station at the Cartagena approach is in full operation, allowing the Canal to transit at least one additional vessel per day.

As southbound traffic begins in the afternoon, northbound traffic can now go through the first two locks and tie up at one of the stations to wait for all southbound traffic to pass. They can then continue their transit from the more advanced point.

Before the introduction of these tie-up stations, in the afternoon, for example, the two locks on the Pacific end of the Canal would have been idle until nearly the end of all of the southbound traffic.

"The Cartagena tie-up station allows us to transit at least one more vessel per day," said ACP Executive Vice President of Operations Manuel Benítez. "Each additional vessel that we transit increases capacity, provides our customers with greater service and saves money. These modern tie-up stations are really a tribute to our staff's innovative problem solving and constant creative thinking,"

Along with the new track and turntable system in the Gatun locks and an enhanced tug fleet, the ACP has increased daily transits to more than 40 per day.

HILTON HOTELS RETURN TO PANAMA WITH FOUR PROPERTIES

HOSPITALITY NET

MAY 14, 09

Hilton Hotels Corporation announces its return to Panama with the signing of four multi-year agreements in Panama City, Panama: two management agreements for a brand-new Hilton and new build Embassy Suites by Hilton hotel, one franchise agreement for a Doubletree by Hilton™ conversion and one

franchise agreement for a newly built Hilton Garden Inn. Each hotel will represent the first in the country for each brand.

"We are truly excited about these developments in Panama City and being back in such a great city," commented Daniel Hughes, senior vice president of operations, Caribbean, Mexico, and Latin America, for Hilton Hotels Corporation. "These newest additions reinforce our commitment to add a number of properties to our Central America portfolio and to have a presence in one of the region's fastest growing destinations. We're looking forward to being part of a thriving city that continues to offer some of the best tourist attractions in the region."

The 351-room Hilton Panama will be a first class property developed by Star Bay Group, Inc., and Hilton Hotels Corporation will operate the hotel under the terms of a multi-year management agreement. Led by F&F Properties and its president Saul Faskha, construction of the Hilton Panama has begun and completion is scheduled for 2011. Located in Panama City's financial district, the hotel marks the Hilton brand's return to the capital. Just 13 miles from Tocumen International Airport and five miles from the Panama Canal, the Hilton Panama will boast an array of recreational facilities including an 8,200 square-foot fitness center, a 10,750 square-foot world-class spa, outdoor terrace swimming pool, and a Las Vegas-style casino. The property will have more than 22,000 square feet of meeting space, including a 7,500 square-foot ballroom. Dining options will include an upscale specialty restaurant, a three-meal restaurant with outdoor terrace and ocean views, and lobby bar. The 27-floor hotel will form part of a 68-floor mixed-use complex with 650,000 square feet of office space.

The Embassy Suites by Hilton Panama City will be developed by Sabadell Investment Inc. and Hilton Hotels Corporation will operate the hotel under the terms of a multi-year management agreement. Construction of the 306-room upscale, all-suite full service Embassy Suites by Hilton Panama City is scheduled to begin in 2009 with an estimated completion date of October 2011. Located in the prime financial district of Panama City, the hotel is approximately 12 miles from Tocumen International Airport and will feature a number of recreational facilities including fitness center, spa, outdoor swimming pool, gift shops, and casino. The property will offer a business center and more than 15,500 square feet of meeting space, including a 12,750 square-foot ballroom. Dining options will include a signature restaurant, a lounge bar, complimentary breakfast and evening reception area, and Flying Spoons outlet. The 21-floor hotel will be part of 71-story building with premier office space.

The Doubletree by Hilton Panama City will be developed and operated by Blue Star Hospitality, S.A., under a franchise agreement with Hilton Hotels Corporation. The 213-room property is undergoing an extensive renovation to re-brand as a Doubletree by Hilton hotel in Spring 2010. The eight-story hotel is strategically located at one of the city's most important intersections in the business district - Via España and Avenida Federico Boyd - across from the architecturally striking Iglesia del Carmen. The Doubletree by Hilton Panama City will offer a rooftop fitness center, pool and spa, retail outlets, 2,000 square feet of meetings space, and a full-service restaurant.

Developed by Metropolitan Hotels SA, the Hilton Garden Inn Panama will feature 163 spacious guestrooms and seven suites offering the Garden Sleep System® bed; ergonomic Mirra® chair by Herman Miller; complimentary wired and Wi-Fi high speed Internet access; high definition flat screen television; MP3 capable clock radio. The hotel also features a complimentary 24-hour business center; a comfortable lounge area to enjoy a cup of coffee in the morning or unwind at the end of the day with a refreshing beverage; and a total of 160 square meters of flexible meeting space -- ideal for business meetings, social events and wedding receptions. For dining options, the hotel will feature the Great American Grill® restaurant offering freshly prepared breakfast and dinner; evening room service and the 24-hour Pavilion Pantry® convenience mart with a selection of beverages, snacks, and sundries. Recreational facilities at the hotel will include an outdoor rooftop heated whirlpool; complimentary fitness center featuring Precor® cardio and strength equipment; and Stay Fit Kits® that can be checked out from the hotel front desk and enable guests to do yoga, Pilates and core workouts in the privacy of their guestroom or in the workout facility.

All properties will participate in Hilton HHonors®, the only guest rewards program that allows members to earn Points & Miles® for the same stay and redeem points for free nights with No Blackout Dates.

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