

Halifax – Pivotal Gateway for International Trade

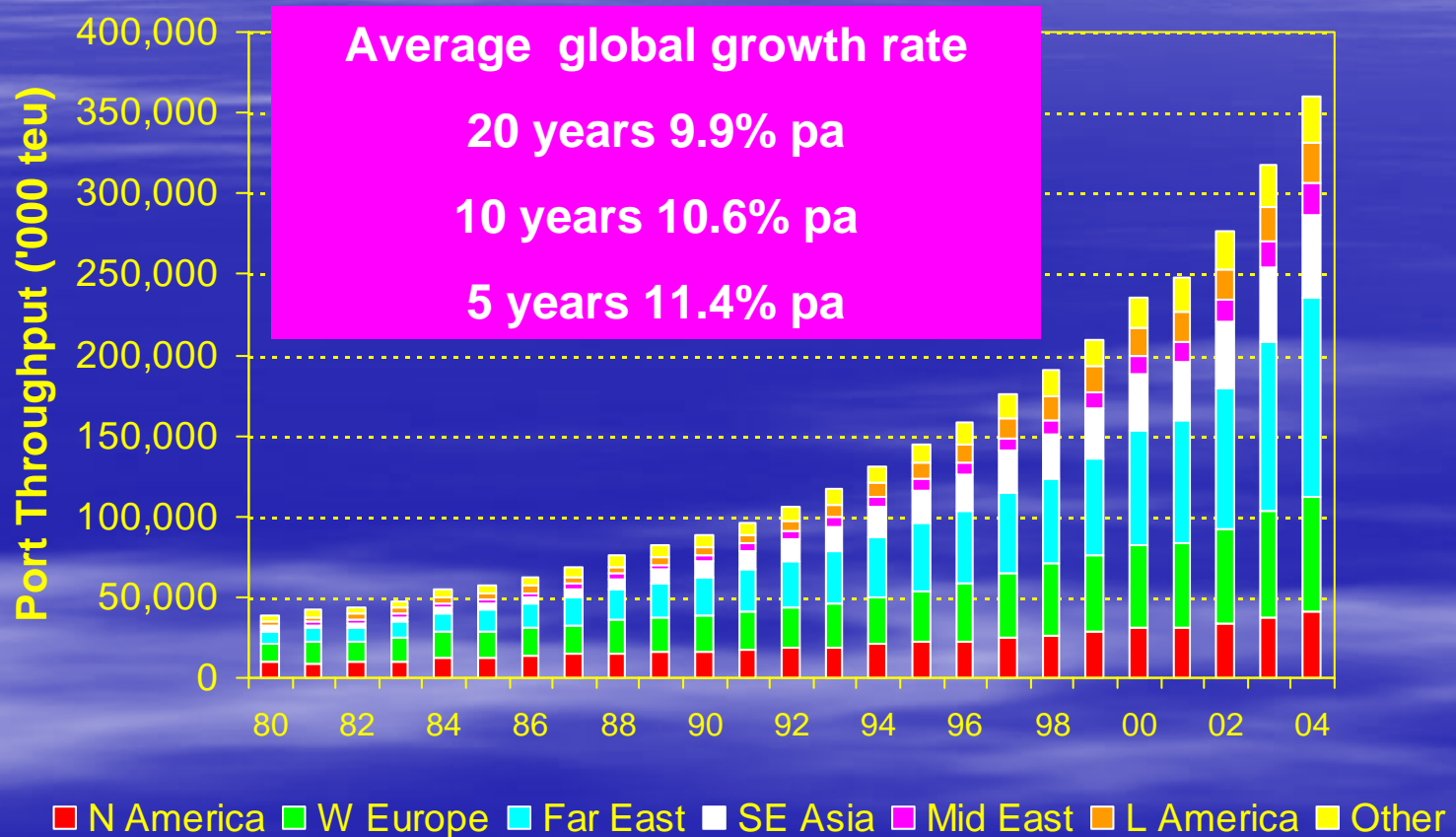


Karen Oldfield
President & CEO

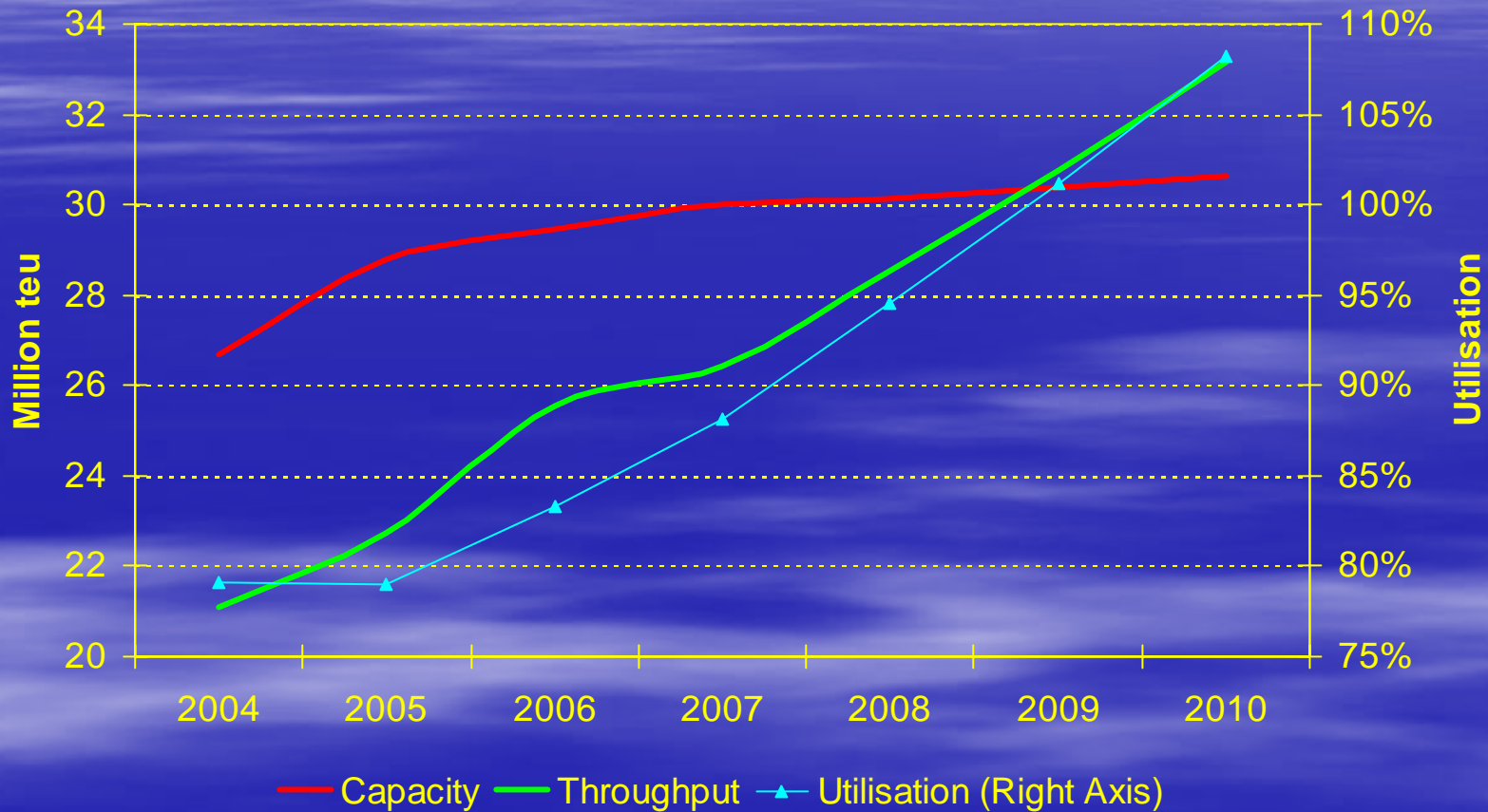


**Halifax Port
Authority**

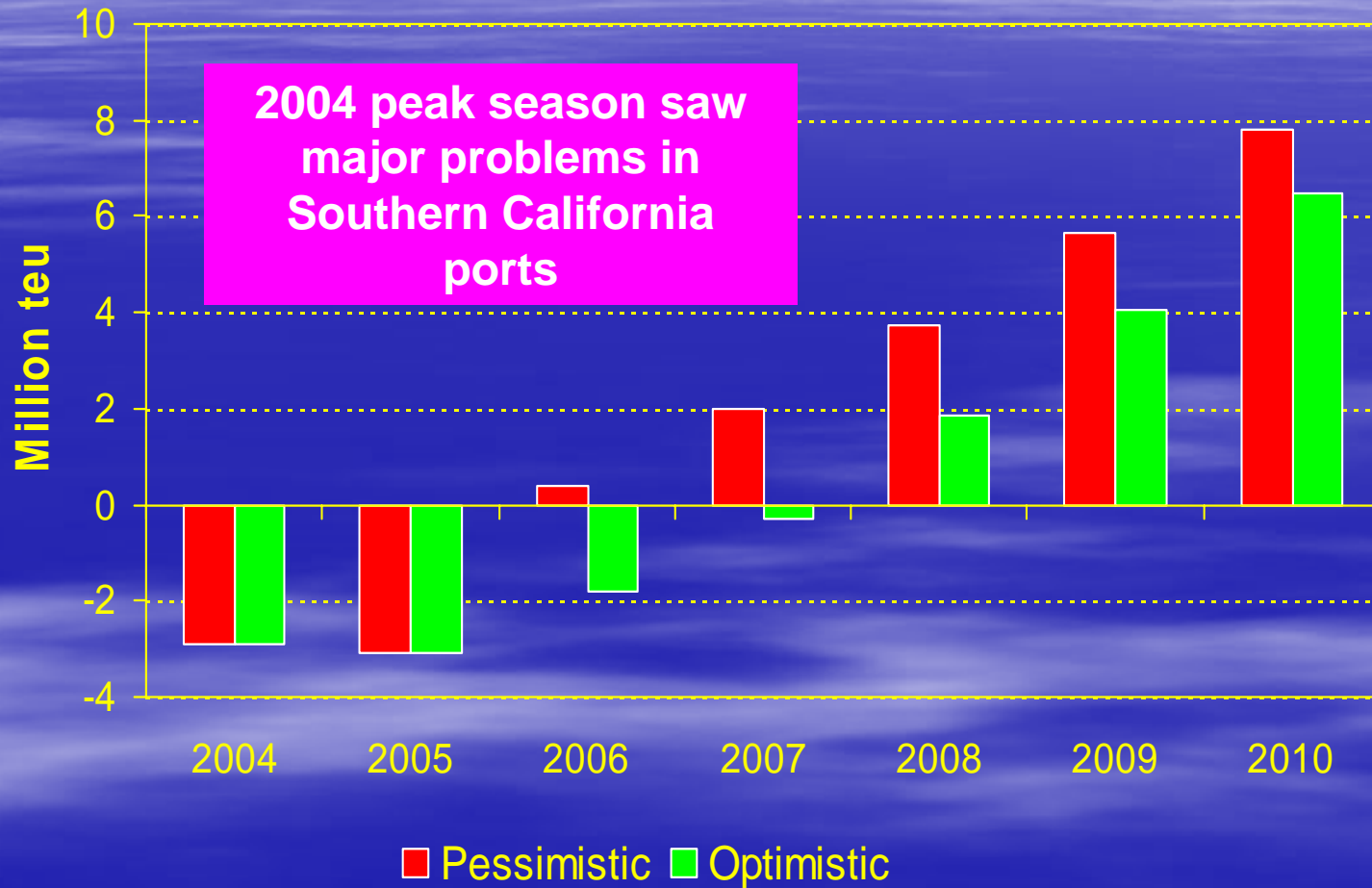
World container traffic – growth, growth, growth!



Potential evolution of WCNA port market



Potential capacity shortage at WCNA ports



Panama Canal – more capacity constraints

2004 - take up of available slots for reserved (pre-booked) transits rose from 74.8% to 86.9%.

2004 - Canal Waters Time per transit rose from 22.7 hours to 26.7 hours.

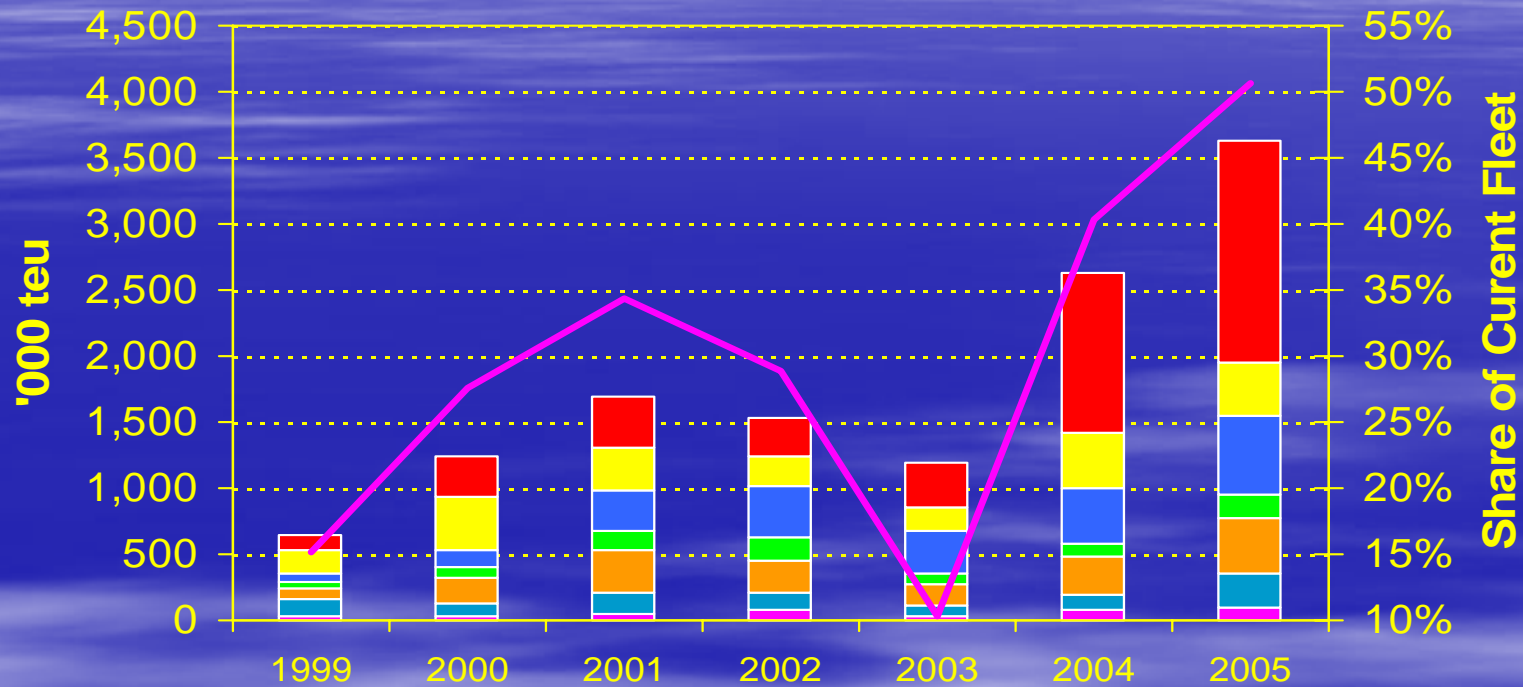
Early 2005, Canal operating overall at 93% effective utilisation.

Absolute maximum potential increase in T/Pac capacity via Panama with current configuration estimated at 1.4 million teu pa = 0.4m teu less than projected optimistic WCNA shortfall in 2008.

Canal expansion project costed at US\$8-13 billion. While expansion is likely to go ahead, the timetable is uncertain and transit costs will continue to rise to help fund the investment.



Containership order-book



Start Year
Position

- <1,000 teu
- 1-2,000 teu
- 2-3,000 teu
- 4-5,000 teu
- 6,000+ teu
- 3-4,000 teu
- 5-6,000 teu
- Total - Share of Fleet (right)



Containership economies of scale

Suez routeings allow larger vessels to be deployed than via Panama

Type	Panamax	Post-Panamax	Post-Panamax
Capacity (teu)	4,000	5,000	6,000
Routeing	Panama Canal	Suez Canal	Suez Canal
Charter Cost/day	\$40,000	\$45,000	\$48,000
Speed	22.5 kn	23.5 kn	23.5 kn
Fuel consumed per day at sea	112 tonnes	140 tonnes	176 tonnes
Fuel price/tonne	\$287	\$247	\$247
Cost/ teu/mile	\$0.0334	\$0.0282	\$0.0270
Saving		15.5%	19.2%/4.3%

And if calls in HK/Shenzhen are viable, then such ships are much more feasible



Distance is not an issue – even for Hong Kong



Mileage	Panama	Suez
HK-NY	11,301	11,632
Laem Chabang - NY	12,645	11,002



ECNA port capability for post-Panamax ships

New York is the key port in determining whether the ECNA range is likely to receive calls from post-Panamax ships.

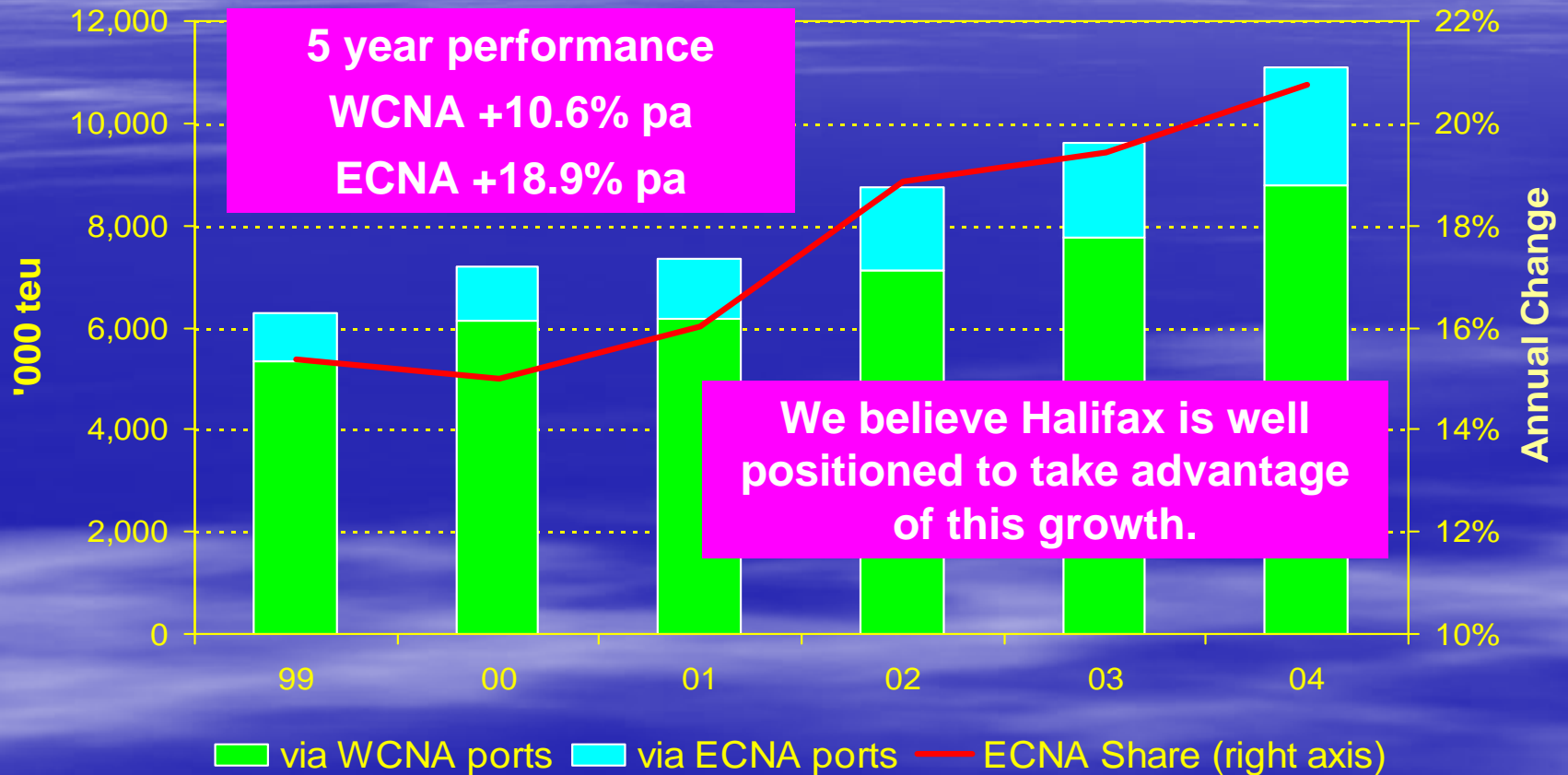
New York is dredging to increase water depth from 45ft/13.7m to 50ft/15.2m by 2009.

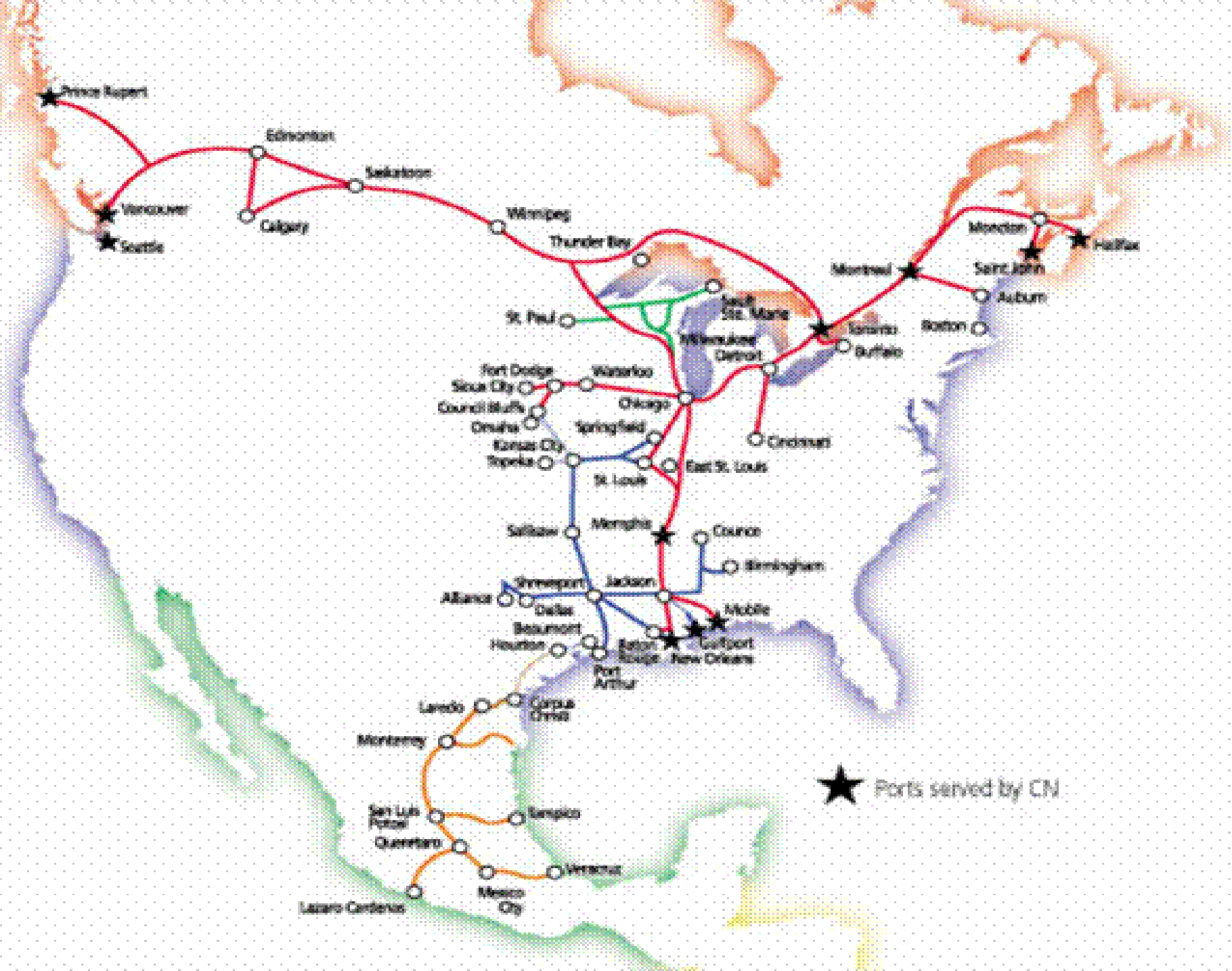
15.2m of water is likely to enable around two thirds of the 2009 post-Panamax fleet (353 vessels from a total of 554) to operate in to/out of New York at maximum draft at all stages of the tide. The additional 1.5m tidal range would allow the majority of the rest of the fleet to operate at or close to maximum deadweight.

Already, with use of Halifax to lighten/top-off, New York could handle post-Panamax ships.



Trans-Pacific eastbound traffic volumes

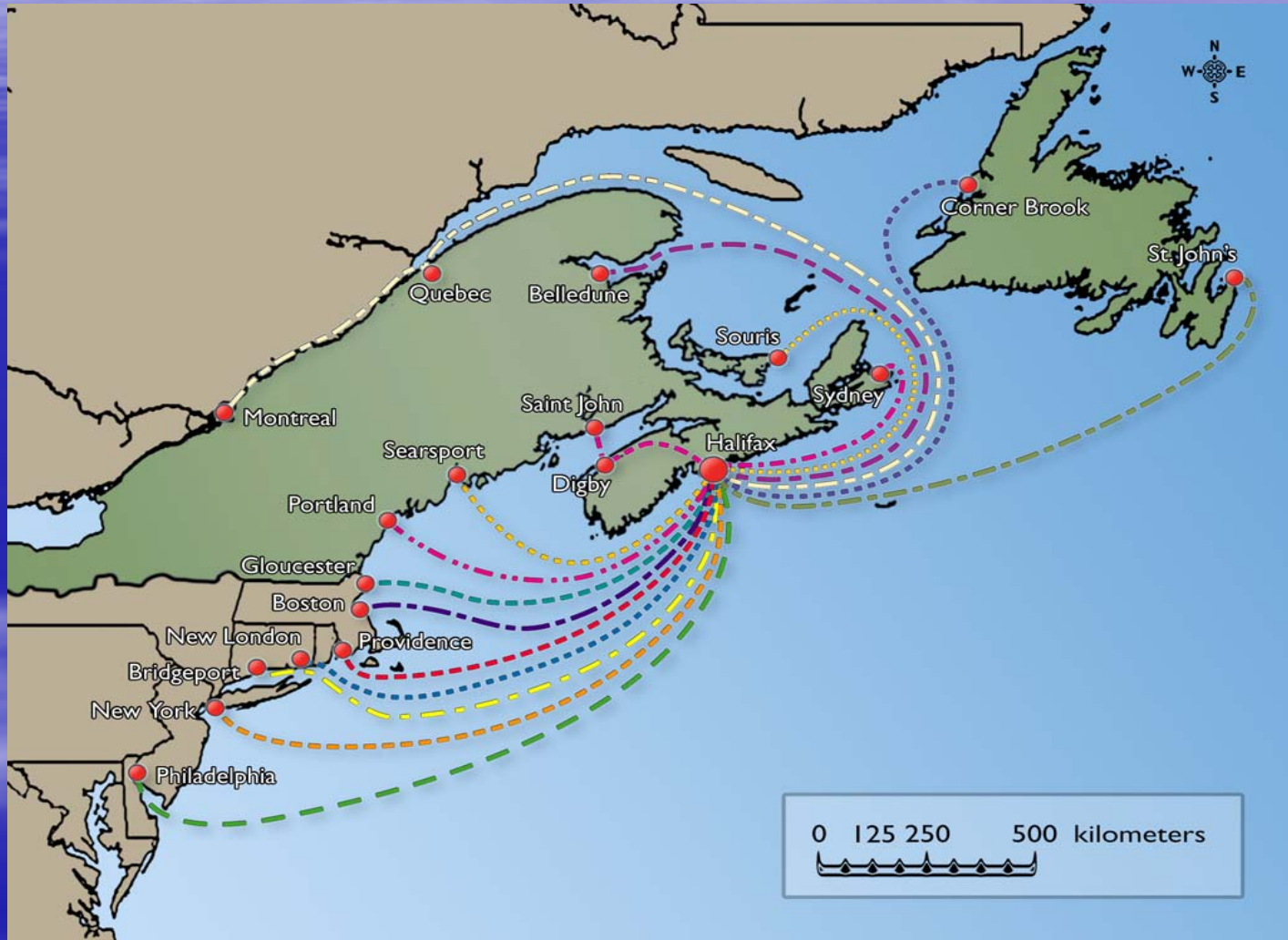




Coastal Service Network on the East Coast



Potential for a fully-developed shortsea shipping network



Halifax is becoming a transpacific port because...

1. Transpacific trade keeps growing
2. WCNA ports becoming capacity constrained
3. The Panama Canal becoming capacity constrained
4. Carriers can deploy sufficiently large (ie post-Panamax) vessels via Suez to exploit scale economy possibilities
5. Transit times can be competitive
6. The key ECNA port of New York offers sufficient water depth to handle post-Panamax ships
7. Post-Panamax vessel supply increases
8. The figures add up

