NEWS RELEASE

Port of Guam selects crane negotiating team

Team will soon begin negotiations for POLA Crane acquisition

Piti, Guam, December 19, 2011: The Port Authority of Guam has established a team to begin negotiations with Matson & Horizon for the acquisition of one or more refurbished cranes (POLA 14, 16, 17) that were brought to Guam by the carriers in 2009. Pursuant to PL 30-100, the Port is mandated to acquire at least two gantry cranes no later than December 31, 2012. The cranes will be funded through the U.S. Department of Agriculture (USDA) loan which was made available to the Port Authority in 2006.

On November 12, 2011, PL 31-145 was passed authorizing the Port Authority of Guam to enter into negotiations with Matson and Horizon for the specific purpose of acquiring one or more of the POLA Gantry Cranes through purchase or lease-to-own. “Passage of the law expands the Port’s procurement options and allows us to consider the equipment presently in place,” said Board Chairman Daniel J. Tydingco. Matson and Horizon brought the cranes to Guam through a license agreement for use of the Port’s gantry railway.

In compliance with one of the requirements stipulated in PL 31-145, the Port is required to appoint a negotiating team who will engage in direct negotiations with the Carriers. The Port negotiating team consists of Greg Perez, Nick Captain, Frank Shimizu Sr., Lea Leon Guerrero, PAG Board of Directors, and PAG Management Team. “The credentials and experience of our team range from equipment maintenance and operations to business expertise. I have full confidence in their ability to arrange an agreement to the satisfaction of all parties involved,“ Tydingco further added. They are scheduled to meet Wednesday, December 21, 2011.

An assessment of the material condition and life expectancy of the POLA cranes are currently underway. The services of worldwide engineering firm Casper, Phillips & Associates were contracted to evaluate the equipment’s operational, structural, electrical, hydraulic, and mechanical condition, as well as its estimated value.

-30-