

Panamá, 19 de septiembre de 2002.

The Hon. Norberto Delgado Durán
Minister of Economy and Finance
Republic of Panama
P.O. Box 2694, Zona 3
Panama, Republic of Panama

Dear Minister:

I, the Procuradora General de la Administración of the Republic of Panama (“Panama”), have reviewed the Republic’s Registration Statement No. 333-14262 on Schedule B (the “Registration Statement”), including the Prospectus dated January 11, 2002 and the Prospectus Supplement dated September 13, 2002 constituting a part thereof, the Fiscal Agency Agreement, including the forms of Bond attached thereto (the “Fiscal Agency Agreement”) and the Underwriting Agreement that forms part of the Terms Agreement (the “Terms Agreement”) dated September 13, 2002 between Panama and J.P. Morgan Securities Inc. (the “Underwriter”), pursuant to which Panama proposes to offer and sell U.S.\$170,000,000 principal amount of its 9.375% Global Bonds Due 2012 (the “Global Bonds”). These Global Bonds are fungible with, rank *pari passu* with and form a single issue and series with Panama’s 9.375% Global Bonds due 2012 of which U.S.\$330,000,000 in principal amount have been issued and are outstanding.

The issuance of the Global Bonds has been authorized pursuant to Cabinet Decree No. 24 dated October 31, 2001 and Executive Decree No. 95 dated September 13, 2002.

It is my opinion that the Global Bonds have been duly authorized, and when executed and delivered by Panama and authenticated pursuant to the Fiscal Agency Agreement and delivered to and paid for by the Underwriter pursuant to the Terms Agreement, the Prospectus (including, without limitation, the applicable Prospectus Supplement) and any amendment or supplement thereto, the Global Bonds will constitute valid and legally binding direct and unconditional obligations of Panama under the present laws of Panama.

I hereby consent to the filing of this opinion as an exhibit to the Annual Report of Panama on Form 18-K for the fiscal year ended December 31, 2000 and to the use of my name under the heading “Validity of the Bonds” in the Registration Statement. In giving

the foregoing consent, I do not thereby admit that I am in the category of persons whose consent is required under Section 7 of the Act or the rules and regulations of the Commission thereunder.

Very truly yours,

Alma Montenegro de Fletcher
Procuradora de la Administración
Republic of Panama