



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

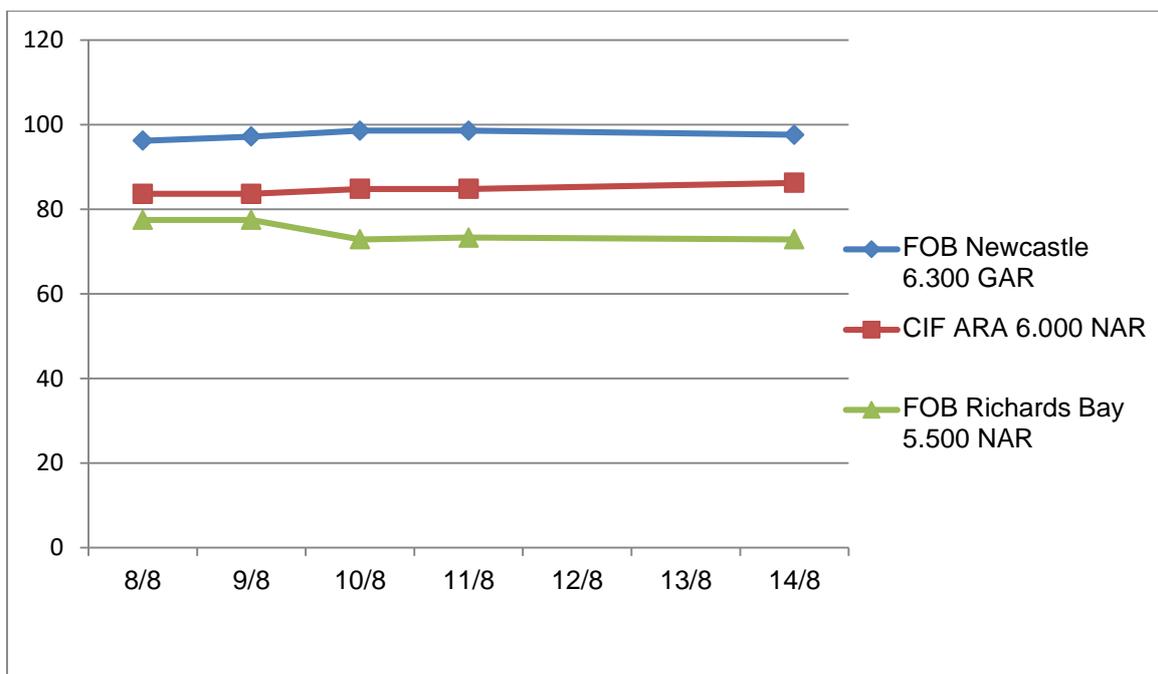
Date 21/08/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	97.60	-1.00	95.10	+ 0.00
CIF ARA 6,000 NAR	86.25	+ 1.45	85.80	+ 0.70
FOB Richards Bay 5,500 NAR	72.90	- 0.40	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.95	+ 0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	60.00	+ 0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.80	+ 0.10	324.27	+ 0.86
PCC7 (CFR South China 4,700 NAR)	65.90	+ 0.00	437.90	+ 0.26
PCC8 (CFR South China 5,500 NAR)	81.80	+ 0.10	543.55	+ 0.99

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 14/08/2017)

NEWS

Limited mining allowed at Australia's South32's Appin Colliery

Australia's Department of Planning and Environment on Thursday lifted the suspension of operations it had imposed on South32's Appin Colliery because of elevated gas-concentration issues at the colliery around seven weeks ago, allowing the company to resume limited mining activity. "Following an extensive compliance review of the mining operations, the Department of Planning and Environment's resources regulator has today [Thursday] allowed [resumption of] limited mining operations at South 32's Appin Colliery, provided remedial actions are taken," the state-regulator said. The regulator had issued prohibition notices on the New South Wales mine in the southern coalfields on June 28, which followed the Illawarra Metallurgical Coal operations -- of which Appin is part -- facing a number of issues related to high gas levels in recent months. "This is the third time that a prohibition notice has been issued for the Appin operations since October 2016 due to elevated gas levels," RBC Capital Markets analyst Paul Hissey said at the time of the suspension.

As a result of the issues, South32 in May lowered its fiscal 2016-2017 (July-June) production guidance for Illawarra Metallurgical Coal from 7.9 million mt to 7.1 million mt. Its fiscal 2016-2017 production totalled 7.07 million mt, which was down from 8.37 million mt in the previous fiscal, the company said in its quarterly results released in July. Metallurgical coal constituted 5.70 million mt of the total production in fiscal 2016-2017, down from 7.06 million mt in the previous fiscal, while thermal coal production climbed from 1.31 million mt to 1.38 million mt. The Appin Colliery accounted for 49% of the total Illawarra Metallurgical Coal production in fiscal 2016-2017, and typically it contributes around 60%, South32 said. South32 plans to give fiscal 2017-2018 guidance for Illawarra Metallurgical Coal production when it releases its fiscal 2016-2017 results later in the year. The coal from the operations is exported from the Port Kembla Coal Terminal.

Newcastle 6,000 NAR traded price soars to \$108/mt, highest since Nov

Trading-screen prices for Newcastle 6,000 kcal/kg NAR thermal coal spiked to \$108/mt FOB in the Asia trading session ahead of a break next week in strike activity at Glencore's Hunter Valley coal mines, said market sources on Friday. Friday's trade was for a 25,000-mt September-loading parcel of Newcastle 6,000 kcal/kg NAR thermal coal on globalCOAL, and represented a \$10.50/mt increase on the last September parcel trade at \$97.50/mt on Monday, also for 25,000 mt. Market sources said strikes over the past 11 weeks at five open-cut mines and one underground mine operated by Glencore in the Hunter Valley, New South Wales, had progressively tightened supply for the Newcastle 6,000 kcal/kg NAR grade. On Friday, a senior union source said unionized workers at the Glencore mines were planning fewer strikes next week, while fresh talks take place on finding a solution to the industrial dispute. Spot prices for Newcastle 6,000 kcal/kg NAR cargoes last traded as high as \$108/mt FOB during last November's substantial rally in Asia seaborne prices caused by China's overtightening of its domestic market, according to S&P Global Platts data. A market source said he was seeing more sales under long-term contracts for Newcastle thermal coal to buyers in Asia, and also to some traders, and a commensurate decline in spot-traded volumes. Chinese buyers continued to hold off for Newcastle high-ash cargoes, with traded levels for the 5,500 kcal/kg NAR grade for September loading pegged at \$73-\$74/mt FOB, said market sources. An October-loading Capesize high-ash cargo attracted a bid from China at \$72/mt FOB Newcastle basis 5,500 kcal/kg NAR, said a trader.

Higher freight costs

This wait-and-see approach was informed by higher freight costs, with Capesize vessel rates on the Newcastle-South China route holding steady at \$9.50-\$10/mt, sources said. Falling domestic coal prices, now seen trading at around Yuan 630/mt FOB Qinhuangdao basis 5,500 kcal/kg NAR and Yuan 660/mt CFR South China was another factor at play, they said. Chinese thermal coal futures prices are trading substantially lower, and the Zhengzhou Commodity Exchange's January 2018-dated contract settled at Yuan 599.80/mt, basis 5,500 kcal/kg NAR, according to exchange data. "It is better for traders to buy futures, especially for end-September or early-October-arrival cargoes," said a trader in China. Stocks held by Chinese coal-fired power plants have slumped to a three-

month low of only 12 days of consumption, according to a trader. October is the start of the peak winter season for China's coal burn, and Chinese buyers were expected to start entering the spot market in September for Q4-delivery cargoes, he said. China's National Development and Reform Commission's encouragement to domestic producers to boost production was facing some headwinds, and new capacities, though approved, are taking longer to come online, said a trader. South Korean buyers were heard to book a few cargoes this week of Indonesian mid-high-calorific-value coal, and a September-loading 4,800 kcal/kg NAR cargo was heard offered at \$63-\$64/mt FOB. A Singapore-based source said 4,800 kcal/kg NAR Indonesian coal was offered at \$68/mt CFR South China basis for September-arrival. Indonesia 3,800 kcal/kg NAR coal was heard offered at \$42.50/mt FOB on a geared vessel for September loading to a bid at \$42/mt, said a source. A South China-based utility received an offer for this grade at around \$49.40/mt CFR basis for September arrival, said a trader in South China.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	<i>Unit: USD/ton</i> Change
Capesize (150,000 tons)	Australia	China	7.95	+ 0.10
	Queensland	Japan	8.75	+ 0.10
	New South Wales	South Korea	9.00	+ 0.10
Panamax (70,000 tons)	Richards Bay	India West	11.15	+ 0.00
	Kalimantan	India West	7.40	+ 0.00
	Richards Bay	India East	11.40	+ 0.00
	Kalimantan	India East	6.50	+ 0.00
	Australia	China	10.30	+ 0.10
	Australia	India	11.70	+ 0.10

(Source: Platts Coal Trader International – Date 14/08/2017)