



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

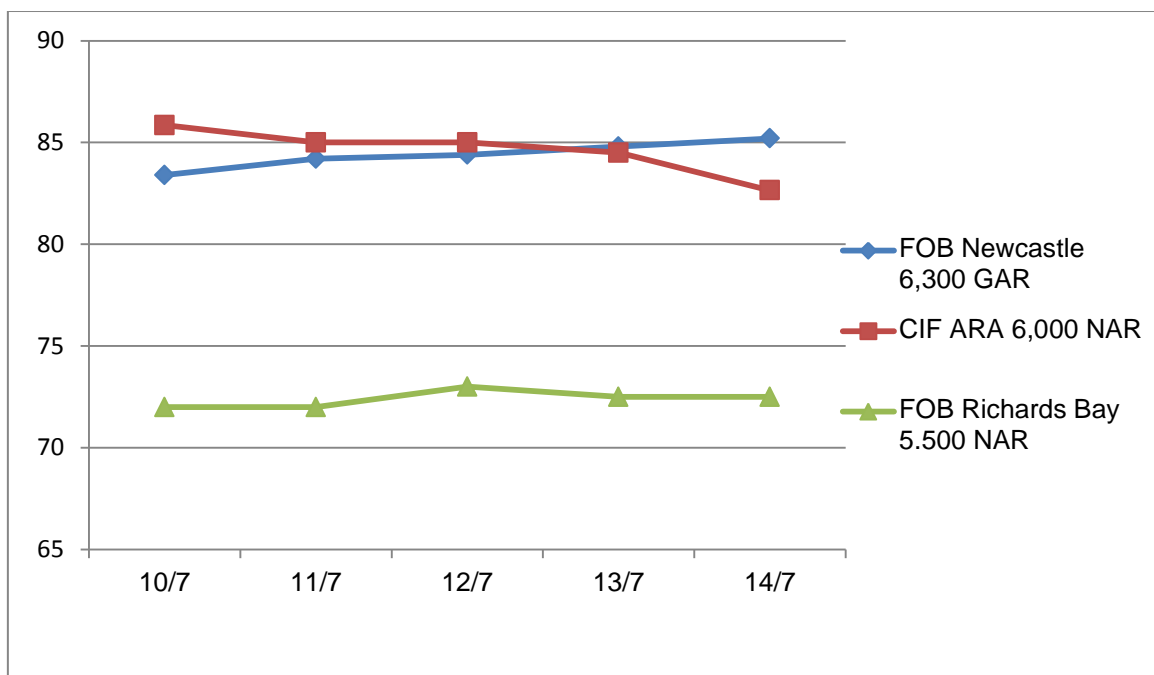
Date 18/07/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	85.20	+ 0.40	84.90	+ 0.40
CIF ARA 6,000 NAR	82.65	- 1.85	82.20	- 1.10
FOB Richards Bay 5,500 NAR	72.50	+ 0.00	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	71.75	+ 0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	56.25	+ 0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.25	+ 0.50	319.34	+ 3.59
PCC7 (CFR South China 4,700 NAR)	62.80	+ 0.50	424.43	+ 3.66
PCC8 (CFR South China 5,500 NAR)	77.05	+ 1.05	520.74	+ 7.44

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 14/07/2017)

NEWS

People in Australia wish to develop clean energy

The northern state of Queensland, where India's Adani Group is planning to develop the \$16.5-billion Carmichael coal mine, expects a move to clean energy will completely wipe out its carbon emissions by 2050. Energy policy is a fraught subject Down Under, where a push by the majority of Australians for more renewable power sources is clashing with the government's political imperative to keep a lid on soaring power prices. Currently, some 76% of Australia's electricity is drawn from coal-fired power stations which, while a cheap supply source, are at odds with a commitment to lower climate emissions.

A series of power outages in South Australia in the past year spurred fears of more widespread blackouts across the nation's electricity market and raised questions as to why one of the world's largest producers of coal and gas is struggling to keep the lights on in a mainland state. The nation's largest and also dirtiest power generator, AGL Energy Ltd., says its investment appetite for coal has reversed in the space of just a few years. The economics of building new coal plants don't stack up and increasingly renewables will dominate base-load power, AGL chairperson Jeremy Maycock said last week. Australians overwhelmingly want the government to focus on clean energy, according to a June poll by the Sydney-based Lowy Institute.

Glencore tops the majors

Glencore (LN:GLEN) led the global leaders' share price rises this week as rumours circulate about the potential buyers for its Tahmoor coking coal mine in New South Wales, Australia. The mining and trading company in 2016 said it would close Tahmoor after 2018, before coal prices surged and it decided to sell the operation and free up cash. Bloomberg is now reporting the company could get as much as A\$500 million (US\$390 million) for the asset, which produced 1.8 million tonnes of saleable coking coal last year and comes with 57Mt of reserves and 650Mt of resources. Liberty House Group, which recently sealed a deal for Arrium's Australian steel mill, is one of the reported bidders. Anglo American (LN:AAL) also rose 6.3% in the past week on the back of increases in the price of iron ore, coking coal and the majority of base metals. While headquartered in London, the company's South African roots and operations mean its share price has been hit by the country's new Mining Charter. News on Friday that the government will not implement the legislation until at least September as it battles with the Chamber of Mines' legal action gave South Africa exposed miners a boost. Only Coal India (IN:COAL) posted a negative return over the period, down 2.5%, as European import thermal coal prices dropped 4.7%.

UK May thermal coal imports drop to four month low

UK imports of thermal coal fell to 239,663 mt in May, down 34% from April to a four month low, the latest customs data showed. Total imports over the month were down 7% on the year, according to S&P Global Platts historical data, although the origination of cargoes had diversified towards more non-traditional suppliers. Although Russia retained its status as the largest supplier into the country, sending 127,769 mt of both bituminous and sub-bituminous coal in May -- up 24% on the month -- volumes from Colombia and the US fell to zero for the first time in three months. Imports from Kazakhstan and the Irish Republic totaling 62,392 mt went some way to covering the shortfall, but 49,5000 mt came from South Africa for the first time in four months, the data showed.

South African Richards Bay FOB 6,000 kcal/kg NAR prices over the period pricing for May-loading (assessment dates March 17-May 24) had averaged around \$74/mt FOB according to Platts data, with freight into northwest Europe from Richards Bay averaging around \$8/mt, giving a calculated delivered price of \$82/mt. By comparison, the CIF ARA 6,000 NAR kcal/kg price for May-delivery had averaged just \$74/mt, effectively closing the arbitrage for this material into the UK. Over January-May, total accumulated volume of thermal coal imports into the UK was 1.8 million mt, down 10% on the same period in 2016, as shipments remained low since the country doubled its Carbon Price Support mechanism in April 2015, reducing coal's competitiveness. Coal had comprised only around 2% of the UK's total energy mix in May, at just 0.48 TWh, according to Platts data, which appeared steady into June based on preliminary figures. Although this was behind

renewable generation that totaled 3.7 TWh, coal had taken a slightly higher share of the electric power generation mix in May versus renewable than seen in previous months as wind and hydro both posted slight reductions over the month, while total power demand increased slightly.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	6.35	+ 0.10
	Queensland	Japan	7.15	+ 0.10
	New South Wales	South Korea	7.40	+ 0.10
Panamax (70,000 tons)	Richards Bay	India West	10.50	+ 0.00
	Kalimantan	India West	7.25	+ 0.25
	Richards Bay	India East	10.75	+ 0.00
	Kalimantan	India East	6.20	+ 0.25
	Australia	China	9.70	+ 0.05
	Australia	India	11.30	+ 0.30

(Source: Platts Coal Trader International – Date 14/07/2017)