



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

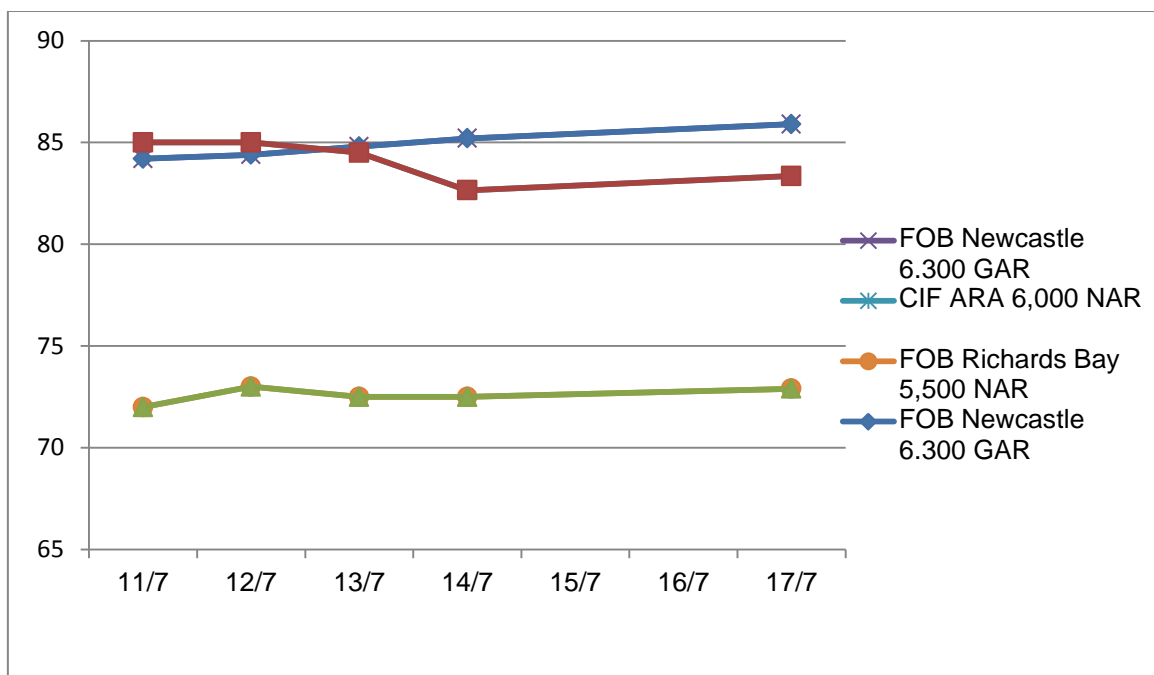
Date 20/07/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	85.90	+ 0.70	85.50	+ 0.60
CIF ARA 6,000 NAR	83.35	+ 0.70	82.50	+ 0.30
FOB Richards Bay 5,500 NAR	72.90	+ 0.40	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	71.95	+ 0.20
FOB Kalimantan 5,000 GAR	N/A	N/A	56.40	+ 0.15

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.00	+ 0.75	323.74	+ 4.40
PCC7 (CFR South China 4,700 NAR)	63.00	+ 0.20	424.90	+ 0.47
PCC8 (CFR South China 5,500 NAR)	78.00	+ 0.95	526.07	+ 5.33

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 17/07/2017)

NEWS

Japan, China, South Korea bankroll Indonesia's coal despite Paris pledge

Japan, China and South Korea are bankrolling environmentally destructive coal-fired power plants in Indonesia despite their pledges to reduce climate-changing emissions under the Paris climate deal, analysts told the Thomson Reuters Foundation. Australia-based environmental finance organization Market Forces said it analyzed 22 coal power deals in Indonesia since January 2010 and found state-run financiers for the three nations were involved in 18 of them. In all, foreign banks, both commercial and state-owned, are providing 98 percent of the debt finance for the projects, amounting to \$16.7 billion. Japan, China and South Korea "are on board with the Paris climate change agreement. They make all the right noises politically," Julien Vincent, executive director of Market Forces, told the Thomson Reuters Foundation in a phone interview. But "these are the same governments underwriting new coal development elsewhere", he said, calling the actions "egregious".

Indonesia, Southeast Asia's largest economy, is already one of the world's biggest emitters of greenhouse gases. Market Forces said the Export-Import Bank of China (China Exim) was involved in seven of the coal power deals, the Japan Bank for International Cooperation (JBIC) and the China Development Bank (CDB) in five deals each, and the Korea Development Bank (KDB) in one deal. The Export-Import Bank of Korea (Korea Eximbank) is also involved in one deal, together with JBIC, it said. JBIC declined to comment on the projects it is involved in Indonesia but said in an e-mail that emerging countries are looking to expand their power sources in response to surging demand and are using coal due to its economic efficiency and reliability. "JBIC, as a policy-based financial institution of Japan, will work in tandem with the Japanese government to financially support projects which leverage on highly-efficient Japanese technology and know-how in line with the host country's context," the bank said. On their websites, the banks say they have environmental guidelines for projects they fund, and are committed to protecting the environment and supporting green energy.

Asia thermal buyers seek newcastle 6,000 nar cargoes

Cargoes of FOB Newcastle 6,000 kcal/kg NAR grade thermal coal were in demand as traders covered short positions while the price of high-ash 5,500 kcal/kg NAR cargoes destined for China became more stable, sources said Tuesday. Traders who had promised to deliver cargoes of Newcastle 6,000 kcal/kg NAR thermal coal in response to northeast Asian tenders were now sourcing some of the parcels from the spot market, sources said. This buying has pushed the spot price to \$90/mt FOB Newcastle from a low of \$71/mt in mid-May. "It's been well publicised that a number of traders offered aggressively into some of the Korean and Japanese tenders in the past few months and are now having to buy," a market participant said. A 25,000 mt parcel of Newcastle 6,000 kcal/kg NAR thermal coal for loading in August traded at \$85.50/mt FOB on globalCOAL Tuesday, \$2 higher than the last August screen trade on July 7. Later in the trading session, prices jumped by \$5 when another 25,000 mt parcel for the August laycan traded on screen at \$90.50/mt.

Another underlying factor was persistent market talk of a shortage of spot cargoes, although a source challenged this assumption given the high level of stocks at mine sites in New South Wales. Another market participant said the Newcastle thermal coal market was at a turning point. "With the Chinese domestic price now above the top end of the government's preferred range and with peak demand likely to ease in the next few weeks, and by definition, plenty of hydro capacity in the wings, it's hard to build a case for prices to push higher from here, particularly in the face of the import restrictions imposed by the government," he added. Thermal coal prices for the 5,500 kcal/kg NAR domestic grade at Qinhuangdao port were pegged at Yuan 630/mt FOB by several sources. "[Chinese] domestic prices are jumping up fast," a Singapore-based source said.

BHP's thermal coal output falls short of target in fiscal 2016-2017

BHP Billiton's thermal coal production from its Australian and Colombian mines for the April-June quarter as well as fiscal 2016-2017 ended June 30 year showed strong growth of 7% and 30% respectively year on year, the company said Wednesday. Production from its mines, excluding the New Mexico Navajo mine, stood at 8.19 million mt in the June quarter and 29.14 million mt for the

full fiscal year, it said while releasing its quarterly and annual results. Total production in fiscal 2016-2017 was just below BHP's guidance of 30 million mt. Its guidance for fiscal 2017-2018 is almost the same at 29 million-30 million mt, it said. Its wholly owned New South Wales coal mines produced 5.71 million mt in the June quarter, taking the total for the entire financial year to 18.18 million mt, up 43% and 6% year on year respectively. In Colombia, its 33.3% share of production the Cerrejon mine, was 2.48 million mt in April-June, up 11% from a year earlier, and 10.96 million mt for fiscal 2016-2017, up 9% year on year. Production was constrained in fiscal 2015-2016 because of drought conditions, it said. BHP's average realized price for thermal coal was \$75/mt in fiscal 2016-2017, up 56% from a year earlier, it said.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	6.25	- 0.10
	Queensland	Japan	7.05	- 0.10
	New South Wales	South Korea	7.30	- 0.10
Panamax (70,000 tons)	Richards Bay	India West	10.55	+ 0.05
	Kalimantan	India West	7.30	+ 0.05
	Richards Bay	India East	10.80	+ 0.05
	Kalimantan	India East	6.25	+ 0.05
	Australia	China	9.70	+ 0.00
	Australia	India	11.65	+ 0.35

(Source: Platts Coal Trader International – Date 17/07/2017)