



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

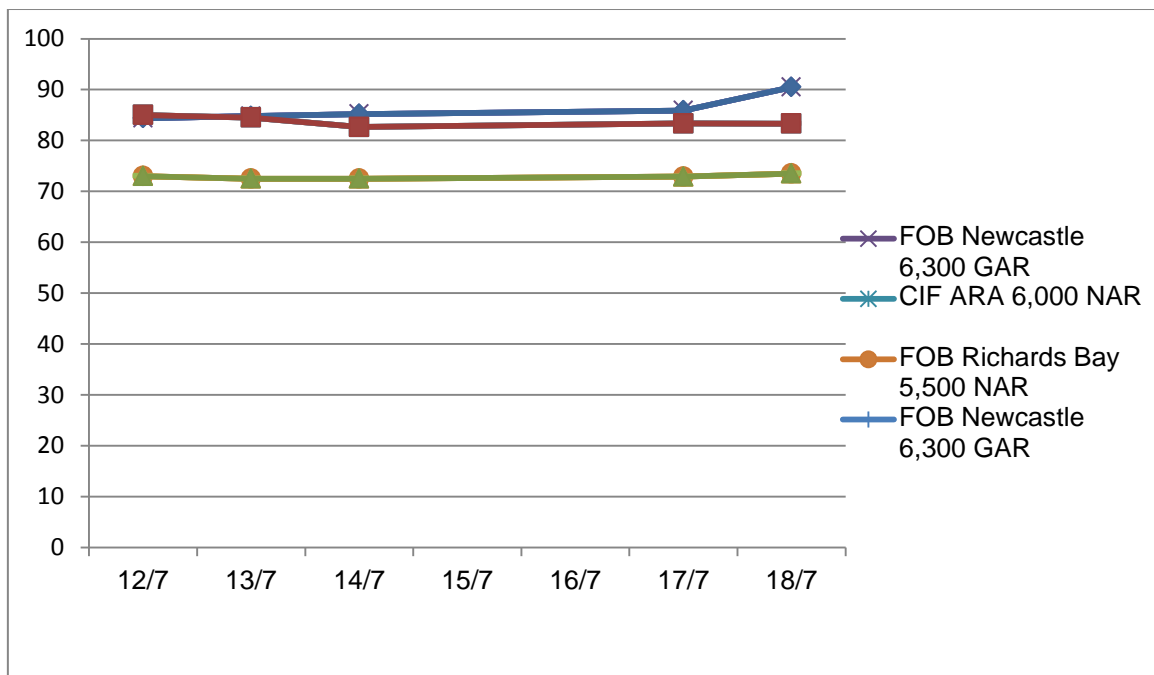
Date 24/07/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	90.50	+ 4.60	89.10	+ 3.60
CIF ARA 6,000 NAR	83.30	-0.35	82.50	+ 0.00
FOB Richards Bay 5,500 NAR	73.50	+ 0.60	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	71.95	+ 0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	56.40	+ 0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.00	+ 0.00	323.16	- 0.58
PCC7 (CFR South China 4,700 NAR)	63.00	+ 0.00	424.15	- 0.75
PCC8 (CFR South China 5,500 NAR)	78.20	+ 0.20	526.49	+ 0.42

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 18/07/2017)

NEWS

South Africa intends to suspend issuing mining rights

South Africa intends to suspend the granting of applications for prospecting and mining rights as well as any renewals pending a court case to review new mining laws, the Mineral Resources Minister Mosebenzi Zwane said on Thursday. Such a move could seriously hamper growth and investment in South Africa's mining sector, already beset by policy uncertainty, depressed prices, soaring costs and often violent social and labour strife. "The moratorium would ensure that any applications are concluded in terms of the 2017 Mining Charter," Zwane said in a statement. The Chamber of Mines said it believed the move to suspend new mining and exploration rights was "unlawful", damaging to the sector and was beyond the minister's powers under the Mineral and Petroleum Resources Development Act. "The effect of the notice is to pave the way for the Minister to issue a further notice to prevent the issuing of new mining and exploration rights which will have an immediate negative impact on investment in the sector," Chamber said.

Zwane and the Chamber have been at loggerheads over the implementation of a new mining law, which includes raising the level of black ownership in mining firms. Mining shares fell to more than one-year lows when Zwane released the revised mining charter last month, giving resource firms 12 months to meet a new 30 percent minimum for black ownership, up from 26 percent. The Chamber has applied to the High Court to prevent implementation of the mining charter. On Friday, the chamber said the minister had given a written undertaking that the new code would not be implemented until a court ruled on the case. The latest move by Zwane opened up a new area of contention. The Chamber, which has complained that mining companies were not properly consulted about the revisions to the charter, said if the minister did not back down on the mining moratorium, it would challenge the move in court.

Profits of China coal producers surge on capacity cuts

Chinese coal producers that for years struggled to keep afloat are bouncing back with substantial profit growth as the industry's ongoing downsizing has helped prop up prices and regain a supply-demand balance. Combined profits of large coal enterprises with annual turnover of at least 20 million yuan (nearly 3 million U.S. dollars) came at 123.34 billion yuan in the first five months, nearly 90 times that of the same period a year ago, according to statistics released at a national coal trade fair Thursday. "The sector's performance is improving steadily," said Wang Xianzheng, president of the China National Coal Association, at the event. Thanks to measures to tackle over-production, China's coal industry is gradually back on track. As of the end of May, around 97 million tonnes of coal capacity had been cut, accounting for 65 percent of the annual goal.

Wang said a balance had been basically reached, citing stable increases in coal output, imports and consumption. But Wang cautioned against over-optimism, saying more time was needed to embrace a comprehensive recovery as the bouncing-back was still short and entrenched problems remain unsolved. "Despite the rising profit margin, a majority of coal firms are still in hardship due to lingering pressures from keeping operation and stability in mining areas," Wang said. Profits were highly concentrated, with five industry giants, including Shenhua Group and Shandong Energy Group, raking in nearly two-thirds of the total in the January-May period. Risks for coal companies will be on the rise because of more capacity being phased out, an increasing number of those laid-off in need of re-employment and rising debt burdens, Wang said. As part of the effort to overhaul the economy, the Chinese government will keep its firm stance on excess capacity cuts with plans to eliminate 150 million tonnes of coal capacity this year.

South32's thermal coal output falls 8% on year in fiscal 2016-17

Miner South32's production of thermal coal from its Australian and South African assets fell 8% year on year to 30.29 million mt in fiscal 2016-2017 fiscal (July-June), the company said Thursday. In the April-June quarter, its thermal coal production was 7.72 million mt, down 4% year on year and 8% quarter on quarter. Its production from Australian mines was 309,000 mt (down 25% year on year and 2% quarter on quarter) and from South African mines 7.41 million mt (down 3% year on year and 9% quarter on quarter). For the entire financial year, South32's output from its

Australian mines edged up 5% year on year to 1,38 million mt, while production from its South African assets dropped 9% to 28.91 million mt. Production from the South African mines was 4% below South32's guidance of 30 million mt for fiscal 2016-17. It did not provide guidance for its Australian thermal coal production. "Export sales in the June quarter were impacted by a severe storm that affected the Richards Bay Coal Terminal and deferred shipments into [fiscal 2017-2018]," South32 said of its South African operations. "The impact of adverse weather and the associated delay in the development of new mining areas at the WMC will continue to weigh on performance in [fiscal 2017-2018]," it added.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	6.30	+ 0.05
	Queensland	Japan	7.10	+ 0.05
	New South Wales	South Korea	7.35	+ 0.05
Panamax (70,000 tons)	Richards Bay	India West	10.65	+ 0.10
	Kalimantan	India West	7.50	+ 0.20
	Richards Bay	India East	10.90	+ 0.10
	Kalimantan	India East	6.45	+ 0.20
	Australia	China	9.80	+ 0.10
	Australia	India	11.70	+ 0.05

(Source: Platts Coal Trader International – Date 18/07/2017)