



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

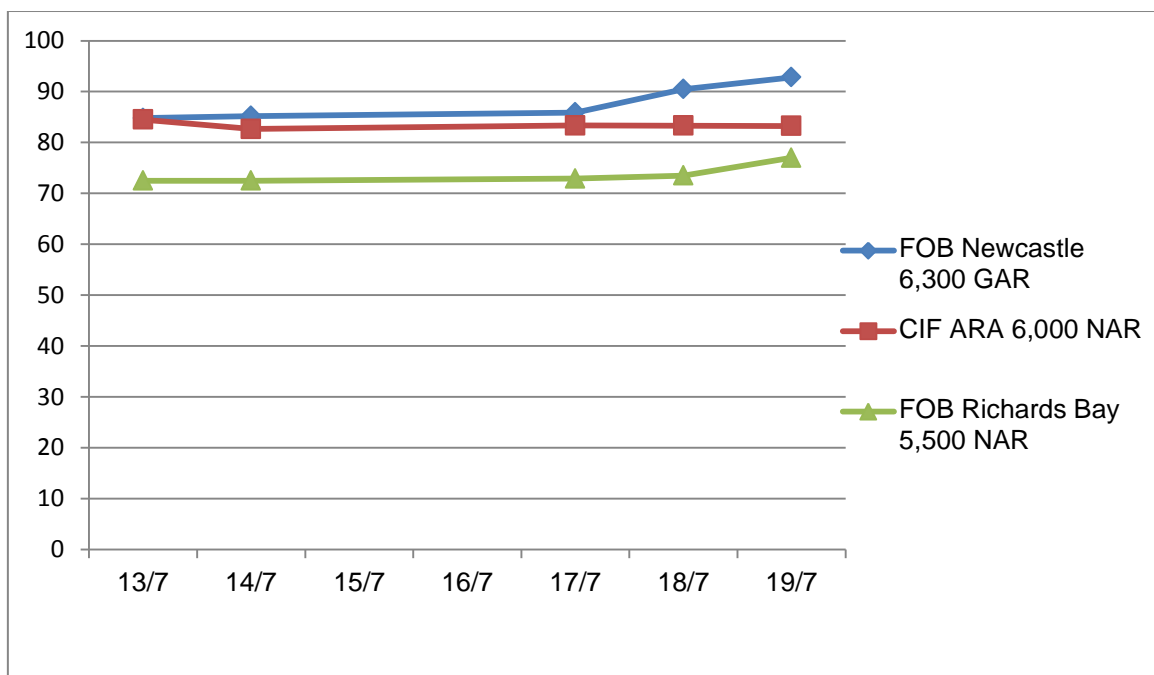
Date 25/07/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	92.80	+ 2.30	90.80	+ 1.70
CIF ARA 6,000 NAR	83.25	+ 0.25	82.50	+ 0.00
FOB Richards Bay 5,500 NAR	77.00	+ 3.50	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	72.95	+ 1.00
FOB Kalimantan 5,000 GAR	N/A	N/A	57.40	+ 1.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.00	+ 0.00	323.02	- 0.14
PCC7 (CFR South China 4,700 NAR)	63.10	+ 0.10	424.64	+ 0.49
PCC8 (CFR South China 5,500 NAR)	78.30	+ 0.10	526.93	+ 0.44

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 19/07/2017)

NEWS

South Korean thermal coal imports hit four month high in June

South Korea imported a total of 8.82 million mt of thermal coal in June, reaching a four-month high as volumes posted their first on-month gain of the year, customs data showed late Tuesday. Total imports were 12.2% up from May, according to the data, while volumes had also posted gains of 23.7% on the year, the largest rise in four months. Imports from largest supplier Indonesia were up 6% from May — gaining some ground after they had hit the lowest levels since June 2016 — to total 2.95 million mt. This was also a 3% increase on June 2016, according to S&P Platts historical data, with the country still accounting for around 30% of the total coal imported into South Korea. Australian imports, by comparison, appeared to have lost some ground, most noticeably to Russia, but also other non-traditional sources, such as Colombia, as imports scaled back 2% on the year to reach 2.48 million mt. Although the country remained the second largest importer into South Korea during June, the total volume of Australian material had dropped from over 30% of South Korea's import mix to around 28%. Imports of Russian thermal coal reached their highest level since September 2016 by comparison, according to Platts calculations, gaining 22% on the month and 52% on the year. The country also sent its first shipment of sub-bituminous coal to South Korea in eight months. Volumes imported from South Africa also posted the largest on-month increase in four months, although volumes remained at low levels relative to previous data, while Colombian imports reached their highest level since January 2017 at 677,261 mt. For the second month running, the US did not send any coal to South Korea.

India 2016-17 coal imports fall 6% on year to 190.95 million mt

India imported around 190.95 million mt of coal during the fiscal year ended March 31, down 6% year on year, Coal Minister Piyush Goyal said Thursday. Against total demand of 838.68 million mt, domestic supply in the last fiscal year was 647.73 million mt, the minister said in a written reply to a question in the lower house of parliament. Due to limited availability of low ash coal in the country, this type of coal is being imported, Goyal said. The superior quality of steam coal is imported mainly by power plants that have been designed on imported coal, he said.

While improved domestic availability of coal has translated into a reduction in imports, the gap between demand and supply cannot be bridged completely as there is insufficient domestic availability of coking coal, and power plants designed on imported coal will continue to import for their production, the minister said. In the current fiscal year, overall coal demand is estimated at 908.40 million mt. While the minister did not provide projected domestic supply availability, he said that domestic supply during the first quarter (April-June) of the current fiscal year was 159.38 million mt. Domestic supplies come from state-run Coal India Limited, Singareni Collieries Company Limited and from captive mines.

Strike impact flows into Newcastle thermal coal market

FOB Newcastle prices moved higher during Asia trade as market participants became concerned about the impact of ongoing strikes at five Glencore thermal coal mines in eastern Australia's Hunter Valley region, said sources Thursday. In the Newcastle 5,500 kcal/kg NAR market, an August-loading Capesize shipment was said to have traded at \$72.80/mt FOB, representing a sharp jump of nearly \$2/mt on the previous day's market level. Some traders pegged the spot price of Newcastle high-ash coal for August at \$73/mt FOB, basis 5,500 NAR, late in the Asia trading session. Market participants were starting to express grave concerns about extensive industrial action at five of Glencore's open-pit coal mining operations in the Hunter Valley coal field. Some sources believed the strikes that started in early June are tightening supply in the Australian seaborne market. Glencore is the largest shipper of thermal coal from Australia.

Separately, New South Wales coal-fired power plants are seeing good value in high-ash 5,500 kcal/kg NAR thermal coal, and are able to burn up to 30% ash product. They stand ready to buy whenever prices dip. "Anything below \$65/mt FOB is going to this [domestic market]," said one market source. Offers for the 5,500 kcal/kg NAR grade for August delivery were heard in a range of \$71-\$73/mt FOB Newcastle, said a number of traders. Meanwhile, a bid at \$97/mt FOB Newcastle

was heard for an August shipment of 6,000 kcal/kg NAR coal, and substantially higher than a trade on Tuesday at \$90.50/mt for 25,000 mt for August loading.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

<i>Unit: USD/ton</i>				
Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	6.40	+ 0.10
	Queensland	Japan	7.20	+ 0.10
	New South Wales	South Korea	7.45	+ 0.10
Panamax (70,000 tons)	Richards Bay	India West	10.75	+ 0.10
	Kalimantan	India West	7.70	+ 0.20
	Richards Bay	India East	11.00	+ 0.10
	Kalimantan	India East	6.65	+ 0.20
	Australia	China	9.80	+ 0.00
	Australia	India	11.70	+ 0.00

(Source: Platts Coal Trader International – Date 19/07/2017)