



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

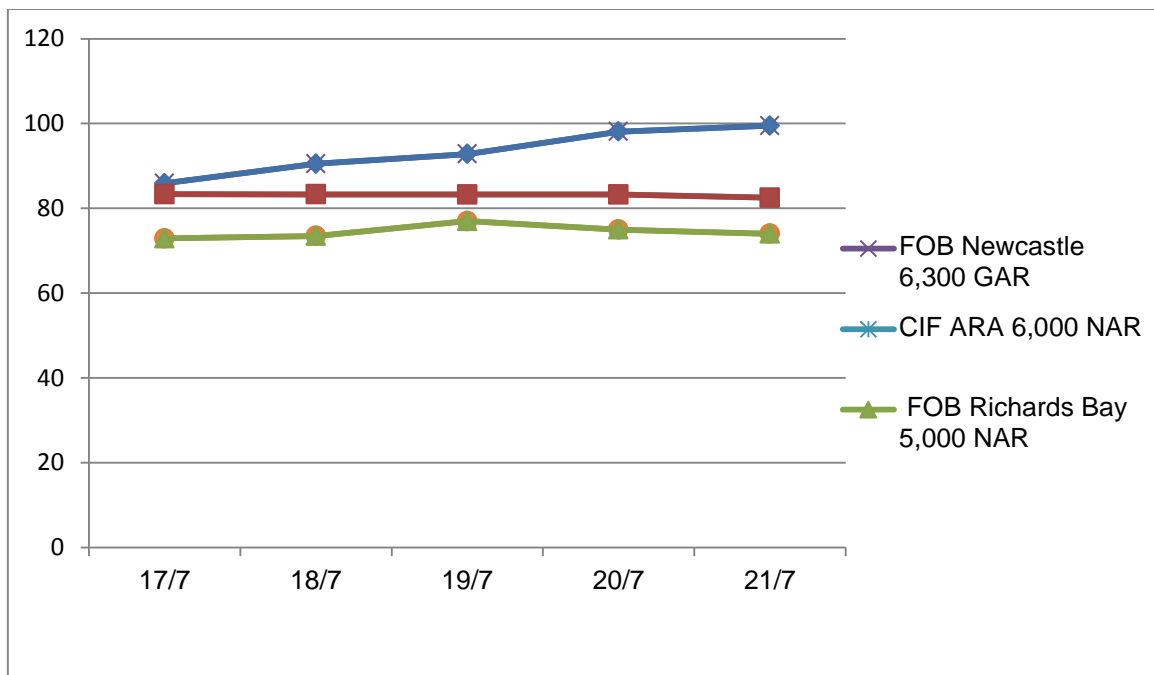
Date 27/07/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	99.50	+ 1.40	94.00	+ 0.00
CIF ARA 6,000 NAR	82.50	- 0.75	83.25	- 0.25
FOB Richards Bay 5,500 NAR	74.00	- 1.00	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.15	+ 1.00
FOB Kalimantan 5,000 GAR	N/A	N/A	58.90	+ 1.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.25	+ 0.00	325.37	- 0.05
PCC7 (CFR South China 4,700 NAR)	64.20	+ 1.00	432.93	+ 6.68
PCC8 (CFR South China 5,500 NAR)	79.90	+ 1.00	538.81	+ 6.67

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 21/07/2017)

NEWS

Japan environment minister to urge to rethink on coal project

Japan's environment minister is likely to recommend the trade ministry reconsider a coal-fired power project planned by Chubu Electric Power Co amid concerns over rising carbon emissions, local media said on Wednesday. The likely recommendation comes as the environment ministry has stepped up concerns over the growing use of coal for power generation after the 2010 Fukushima nuclear disaster led to the shutdown of most nuclear reactors until now. A ministry official said Environment Minister Kouichi Yamamoto has been increasing calls to tackle rising CO2 emissions in new fossil-fuel power projects. The minister would issue an opinion on Chubu's Taketoyo project soon, but the details were being finalized, he said.

The environment ministry first objected in 2015 to Chubu's plan to build a 1.07-gigawatt coal-fired unit at its Taketoyo plant in central Japan to replace aging oil-fired units. In February, Chubu said it would mix biomass with coal to reduce carbon dioxide emissions at the plant, but the environment ministry is seeking further measures, including a re-consideration of the project itself, Kyodo news agency said. Japan may not achieve its carbon emissions target if an ambitious plan to build more coal-fired power plants pushes ahead, Yamamoto told Reuters last month, underlining Tokyo's struggle to meet globally agreed goals to halt climate change.

Yancoal gets OK to on-sell 16.6 pct of some Rio coal assets

Yancoal Australia has been cleared by its Chinese parent, Yanzhou Coal Mining , to sell 16.6 percent of the key assets of Rio Tinto's Coal & Allied division, once its completes the \$2.69 billion Coal & Allied acquisition. Yanzhou said in an announcement to the Hong Kong stock exchange late on Wednesday that its board had approved a resolution to allow Yancoal to transfer a 16.6 percent interest in the HVO (Hunter Valley Operations) joint venture to a "third party" following its acquisition of Coal & Allied.

HVO is widely regarded as the more valuable of the two Hunter Valley coal complexes that Yancoal is set to acquire from Rio under the deal. Rio Tinto shareholders last month approved the sale of Coal & Allied to Yancoal, ending a bidding war with commodities trader Glencore. Yancoal's Australia-listed shares were placed in a trading halt on Thursday pending an announcement. Yancoal, which is 78 percent owned by Yanzhou, was not available to comment. HVO is 67.6 percent held by Coal & Allied and 32.4 percent by Mitsubishi Corp. Mitsubishi has agreed to sell its stake to Yancoal. Glencore was not immediately available to comment on whether it would seek to acquire the 16.6 percent interest. Glencore is already the world's largest exporter of sea-traded thermal coal, with interests in 28 mines in Australia, Colombia and South Africa. It aimed to blend Rio Tinto coal with its existing operations to custom-tailor shipments to power-generating customers in Japan, South Korea and Taiwan. Glencore first tried to acquire Coal & Allied in 2015, when Rio Tinto made it clear that coal was no longer part of its growth strategy.

Vietnamese Vinacomin's h1 coal sales inch up 1% on year to 18 million mt

Vietnam National Coal – Mineral Industries, or Vinacomin, sold 18.053 million mt of coal in the first half of 2017, up 0.6% year on year, the Ministry of Industry and Trade said in a statement Friday. Of the total sales in H1, 17.78 million mt of coal was supplied to domestic users, down 2.3% year on year, with 14.378 million mt sold to the power sector, up 8.2% year on year. The company exported 675,000 mt of coal during the period, spiking 419.3% year on year, the statement said. Vinacomin's coal stockpiles as of end-June were 8.45 million mt, down from 12 million mt at the end of last year. Meanwhile, deputy industry and trade minister Hoang Quoc Vuong had a meeting with Vinacomin and another state-owned coal miner, The Northeast Corp., on July 20 to discuss their coal supply issues for January-June. The meeting was to discuss the two companies' production and sales of coal. Both companies are under the purview of the ministry, so officials from the ministry often visit them to find if there are any difficulties in their production and sales. Prior to the meeting, state-owned Vietnam Electricity, or EVN, on May 26 had said in a proposal sent to the industry ministry that it will lower the coal volume it buys from Vinacomin and The

Northeast Corp. to 17.92 million mt, down by a combined 2 million mt year on year, the ministry said in another statement dated June 20.

Vinacomin's coal prices are considered high compared to those for imports, so Prime Minister Nguyen Xuan Phuc had last month directed the company to reduce the rates to compete with lower-priced imports, according to a government statement released June 19. EVN will instead purchase the 2 million mt from two other local suppliers, the trade and industry ministry had said, without providing the names of the other suppliers. Vuong said the ministry will propose that the central government ask EVN to consider not buying the 2 million mt from other suppliers this year, as requested by Vinacomin and The Northeast Corp. EVN's purchase from other suppliers, excluding Vinacomin and The Northeast Corp., should begin from next year, he said. Vinacomin produced 19.96 million mt of coal in the first six months, up 3% from the same period last year. It plans to produce 16.26 million mt and sell 18 million mt in the second half, the ministry said.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	7.00	+ 0.00
	Queensland	Japan	7.80	+ 0.00
	New South Wales	South Korea	8.05	+ 0.00
Panamax (70,000 tons)	Richards Bay	India West	10.75	+ 0.00
	Kalimantan	India West	7.60	- 0.10
	Richards Bay	India East	11.00	+ 0.00
	Kalimantan	India East	6.55	- 0.10
	Australia	China	9.65	+ 0.00
	Australia	India	11.25	+ 0.00

(Source: Platts Coal Trader International – Date 21/07/2017)