



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

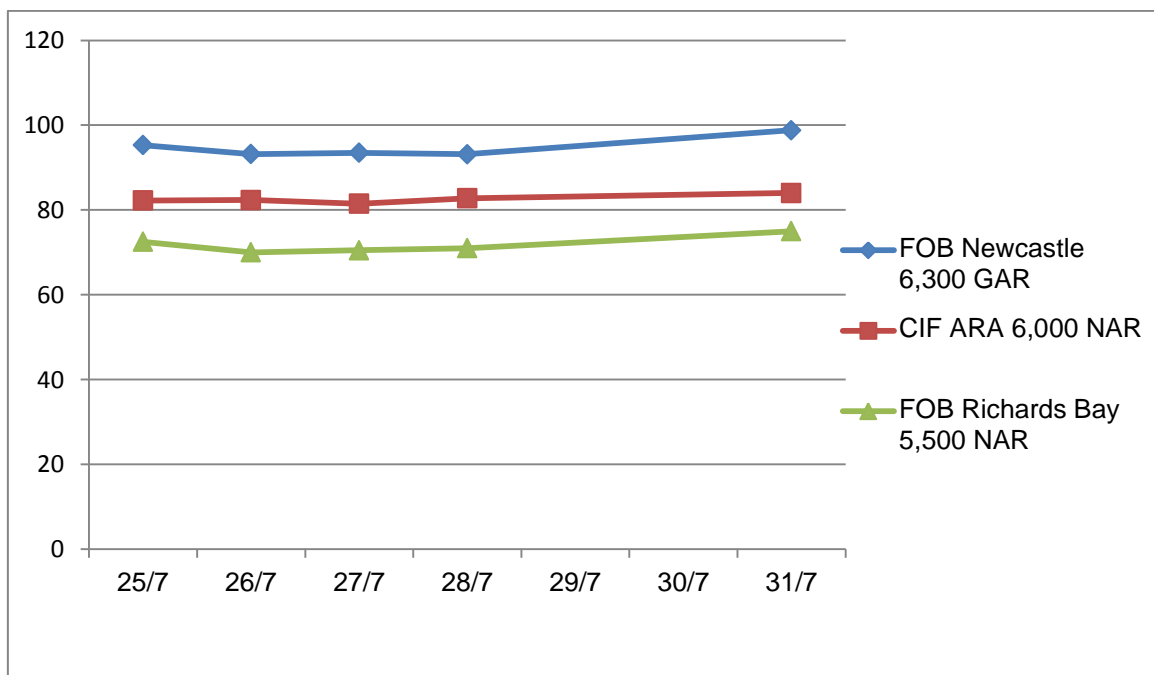
Date 02/08/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	98.80	+ 5.65	96.75	+ 5.90
CIF ARA 6,000 NAR	84.00	+ 1.25	84.25	+ 0.75
FOB Richards Bay 5,500 NAR	75.00	+ 4.00	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.50	+ 0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	59.10	+ 0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	49.00	+ 0.00	328.36	- 0.75
PCC7 (CFR South China 4,700 NAR)	65.40	+ 0.15	438.26	+ 0.00
PCC8 (CFR South China 5,500 NAR)	80.10	+ 0.10	536.76	- 0.57

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 31/07/2017)

NEWS

Newcastle 6,000 NAR tightness moves into September

The apparent tightness in the Newcastle 6,000 kcal/kg NAR market for Australian thermal coal has rolled over into September from August, with a trade done on Monday for this grade at \$9/mt higher than a week ago, said sources. A September-loading cargo for 75,000 mt traded at \$96.75/mt FOB Newcastle on the globalCOAL trading platform toward the end of the Asia trading session Monday, and was \$9/mt higher than the last screen trade for September. There were two trades for September-laycan shipments last week: at much lower levels of \$87.65/mt FOB Newcastle for 50,000 mt on Tuesday, and at \$88/mt for 25,000 mt on Monday, on globalCOAL. Last week, it was August-loading shipments of Newcastle 6,000 kcal/kg NAR cargoes that appeared to be in short supply, with a trade on Friday at \$96/mt FOB, and on Tuesday there was a trade for this specification at \$98/mt, on the trading platform.

Rolling strikes occurred at a number of Glencore's Hunter Valley open-cut mines in the weekend. Coal workers belonging to the Construction, Forestry, Mining and Energy Union continued to press the coal producer for new collective workplace agreements to replace ones that have expired. Sources said Glencore's Hunter Valley open-cut mines affected by the strikes produce higher-grade Newcastle 6,000 kcal/kg NAR thermal coal, which goes to customers in Japan and South Korea. Japanese buyers generally have been delaying their re-entry into the spot Newcastle 6,000 kcal/kg NAR market to avoid getting caught by higher prices, sources said. Prices for Newcastle 5,500 kcal/kg NAR thermal coal for late August and September shipment have stayed relatively steady at about \$72-\$73/mt FOB, sources said. A gearless-vessel cargo of Indonesian 4,800 kcal/kg NAR coal with 1.2% sulfur was heard offered at \$60/mt FOB and was for loading in August, said a trader in China.

Japan consortium to build power station, port in Bangladesh

A consortium comprising five Japanese companies, including trader Sumitomo Corp., IHI, Toshiba and Penta-Ocean Construction, will build an advanced coal-fired power plant and a port in Bangladesh. The Japan International Cooperation Agency will cover the estimated 500 billion yen (\$4.51 billion) or so in costs in what will be the organization's largest yen loan. Japan is in fierce competition with China and South Korea to supply infrastructure to emerging countries. It is particularly keen on exporting the most advanced thermal power plant, which has a relatively smaller impact on the environment. The government and relevant companies hope to win more orders in the emerging world.

As the leader of the consortium, Sumitomo made the successful bid in a competition held by a Bangladeshi utility. IHI will supply boilers that will burn coal to produce steam. Toshiba and Toshiba Plant Systems & Services will supply steam turbines, power generators and peripheral equipment. Penta-Ocean Construction will build the port. The project will start in August in the Matarbari district in southern Bangladesh. It is scheduled to be completed in 2024. The power station, with an output capacity of 1.2 gigawatts, will be the country's largest electricity generator, serving about 10% of Bangladesh's electricity demand. The port will also be one of the nation's largest, receiving coal for the power station from Indonesia, Australia and elsewhere. Of the 500 billion yen to be provided by JICA, 300 billion yen will be used to build the power station; the rest will go into building the port. The power station will use what is called ultra-supercritical technology, which can cut carbon dioxide emissions by about 20% compared to conventional thermal power plants.

Bukit Asam set to develop railways to boost annual coal freight

State-owned coal miner PT Bukit Asam plans to boost the annual capacity of its coal freight distribution to 65 million tons by 2023, from a capacity of only 10.23 million tons as of June, said a company executive recently. "In total, we have coal reserves of around 3.3 billion tons. It's not difficult for us to mine those reserves. However, the problem is to transport the coal to our

customers. That’s why it is important for us to boost the capacity of our coal freight,” Bukit Asam president director Arviyan Arifin said recently.

To meet its target, Bukit Asam will team up with state-owned railway operator PT Kereta Api Indonesia (KAI) to upgrade its two existing railways in South Sumatra. The first route pegged for the upgrade leads from the Bukit Asam mine in Tanjung Enim to the Kertapati coal port, and will have an annual capacity to transport 5 million tons of coal by 2019. The second leads from Tanjung Enim to Tarahan coal terminal, which will have an annual capacity to transport 25 million tons of coal once the upgrade is completed in 2020. The company also plans to develop three new railways, to the Prajin and Kramasan coal barge ports in South Sumatra and to Srengsem port in Lampung. The new railways to Prajin and Kramasan will have a capacity of 10 and 5 million tons of coal, respectively, and are slated for completion in 2022. Meanwhile, the one heading to Srengsem will have a capacity of 20 million tons and is expected to be complete by 2023.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	7.15	+ 0.55
	Queensland	Japan	7.95	+ 0.55
	New South Wales	South Korea	8.20	+ 0.55
Panamax (70,000 tons)	Richards Bay	India West	10.40	+ 0.00
	Kalimantan	India West	7.15	+ 0.00
	Richards Bay	India East	10.65	+ 0.00
	Kalimantan	India East	6.10	+ 0.00
	Australia	China	9.30	- 0.05
	Australia	India	10.55	- 0.05

(Source: Platts Coal Trader International – Date 31/07/2017)