



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

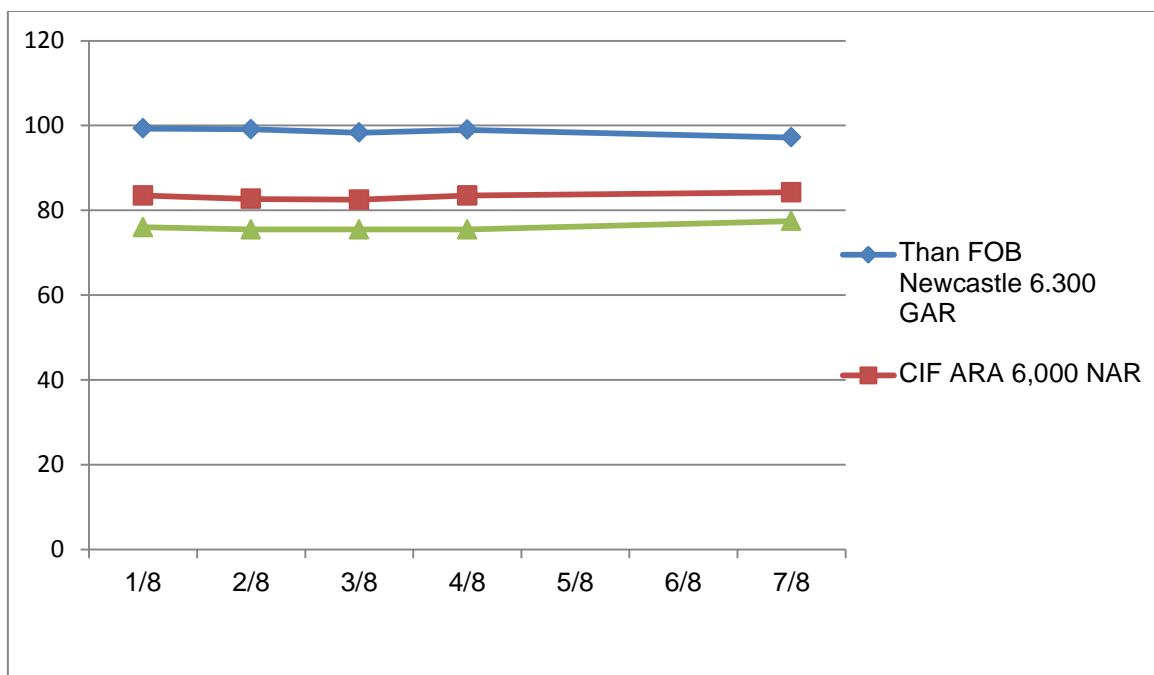
Date 10/08/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	97.20	- 1.80	96.60	+ 0.10
CIF ARA 6,000 NAR	84.25	+ 0.75	84.00	+ 0.80
FOB Richards Bay 5,500 NAR	77.50	+ 2.00	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.70	+ 0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	59.30	+ 0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.50	+ 0.00	324.69	+ 0.05
PCC7 (CFR South China 4,700 NAR)	65.70	+ 0.00	439.84	+ 0.06
PCC8 (CFR South China 5,500 NAR)	81.00	+ 0.00	542.27	+ 0.08

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 07/08/2017)

NEWS

Glencore gets leases for 22 million mt/year Australian thermal coal project

Mining giant Glencore has been granted the first mining leases for its major Wandoan thermal coal project in the Surat Basin in the Australian state of Queensland, the state government said. When operational, the new mine could produce up to 22 million mt of high-quality thermal coal a year, it said. "This would be the first major coal project of this scale in the Surat Basin, and still requires a rail link to the Port of Gladstone for export," the Queensland government said. The grant includes three 27-year leases over 30,000 hectares (74,000 acres) for Stage 1 of the proposed A\$7 billion project, it added.

"We have been transparent with governments and the community since 2013, when the project was placed on hold, that we will continue to assess the project's timing against the global coal market," Glencore said. "Glencore is taking a responsible approach and will only bring on new large scale production volumes if we are confident that market conditions support such a development. "Adding significant new tonnes to the market at this time could adversely impact the profitability of existing thermal coal production, potentially putting jobs at risk as the market adjusts downwards as a result of oversupply," it added.

Russian Far east coal rail disruption extended after force majeure

Further delays in coal railings are expected to the main Far East Russia export terminals in the aftermath of heavy rain damaging a section of track near Vladivostok. Force majeure on various coal shipments out of Far East Russia was declared by several companies, sources said, and work moving around port loading laycans and meeting customer inquiries was taking place. An initial three-day rail stoppage on the coal line due to end Wednesday has been extended for a further two days, and this timeframe is expected to be extended, said a mining source in Russia familiar with the development. The railway operator notified companies directly about the extended delay, he added. Russian Railways said a railings ban had been in place, but did not mention any extension, or confirm a derailment. "In order to eliminate track erosion on the Far East Railway, from August 7 to 9 a ban is in effect on loading any cargo to addresses of consignees at Blyukher, Khasan, Kamyshovaya, Posiet, Vladivostok, Cape Churkin, Gaydamak, Pervaya Rechka, Nakhodka, NakhodkaVostchnaya, Rybniki, Krabovaya and Cape Astafiev stations," the Moscow-based company said in a statement via email. "Taking into account the general schedules of coal delivery and product stocks at port terminals, this delay will not have a significant impact on export volumes.

Heavy rain reported in Ussuriysk, Primorsky Krai, just north of Vladivostok, was to blame for the halt, and work on the portion of track is said to be taking place to meet safety standards for railings to resume. Ussuriysk had a burst of rain reported between Sunday and Monday. Another industry source familiar with the line said work on repairs are ongoing following the derailment of wagons, and the earlier schedule of resumption was too "optimistic." He said the degree of recovery depended on the terminals, and work needed to return tracks to condition. Some ports had limited railings due to earlier maintenance programs. Disruption and delays in PCI supplies from Russia had prompted regional buyers to try and cover upcoming needs, driving up prices Tuesday. The rail line is the main artery connecting export terminals in Russia's Far East, including Vostochny and Nakhodka as well as Trade Port Posiet. The port of Vanino, further up Russia's eastern seaboard opposite Sakhalin island, is unaffected. A spur takes materials east to the port well before the choke point on the main line to Vladivostok area facilities.

Bukit Asam seeks new coal mines

State-owned coal miner PT Bukit Asam (PTBA) is seeking to acquire new mine sites to increase its coal production, which currently stands at 3.33 billion tons per year. PTBA president director Arviyan Arifin declined to provide details on the company's plan, such as the locations of the new sites and its budget allocation for the plan, only stressing that any new mine site had to significantly increase its production. "First, we want a mine site that is already in production. We do not want 'green' fields and we want large mine sites that can produce 1 to 2 million tons [annually]," Arviyan

said during a public exhibit on Tuesday at the Indonesia Stock Exchange (IDX) in Jakarta. He also explained that the company also sought mines that produced medium calorie grade coal with a calorific value of around 5,000 kcal/kg Gross as Received (GAR). Currently, 65.8 percent of the company's annual production consists of medium calorie grade coal. "We want the medium calorie because that is what state-owned electricity company PLN mostly uses to fuel their power plants," Arviyan said.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
				<i>Unit: USD/ton</i>
Capesize	Australia	China	7.40	+ 0.00
(150,000 tons)	Queensland	Japan	8.20	+ 0.00
	New South Wales	South Korea	8.45	+ 0.00
Panamax	Richards Bay	India West	10.75	+ 0.00
(70,000 tons)	Kalimantan	India West	7.20	+ 0.00
	Richards Bay	India East	11.00	+ 0.00
	Kalimantan	India East	6.20	+ 0.05
	Australia	China	9.60	+ 0.00
	Australia	India	11.25	+ 0.00

(Source: Platts Coal Trader International – Date 07/08/2017)