



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

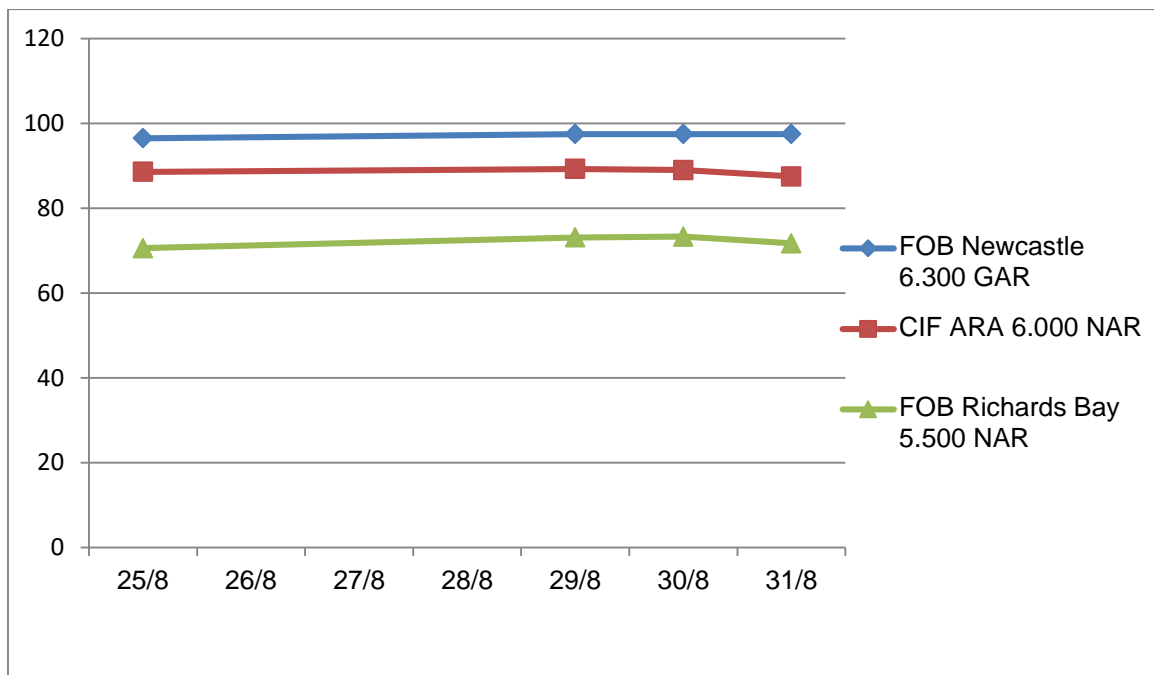
Date 06/09/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	97.50	+0.00	96.00	+0.00
CIF ARA 6,000 NAR	87.50	-1.50	87.60	-1.55
FOB Richards Bay 5,500 NAR	71.70	-1.60	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	76.10	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	61.50	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	50.50	+0.00	331.82	+0.23
PCC7 (CFR South China 4,700 NAR)	68.00	+0.50	446.80	+3.58
PCC8 (CFR South China 5,500 NAR)	82.25	+0.25	540.44	+2.01

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 31/08/2017)

NEWS

Indonesia's Bayan to supply Komipo with 10 million mt coal over 6 years

Indonesian miner PT Bayan Resources said Friday that its subsidiary PT Bara Tabang has signed an agreement with Korea Midland Power to supply up to 10 million mt of low-sulfur thermal coal over six years, starting October. Bara Tabang will supply up to 2 million mt/year of Bayan Ultra coal, which has a calorific value of 3,900 kcal/kg NAR with 0.1% sulfur and 3% ash, to Komipo. Financial terms of the deal were not disclosed. "Currently the Korean government is willing to take all actions to reduce air pollution and thus this contract with Bayan Ultra coal, which contains only 0.1% of sulfur and 0.8% of nitrogen, will greatly be useful for our current eco-friendly policies," Komipo CEO Chung Chang-Kil said in a statement.

Bayan, which has coal mines in East and South Kalimantan provinces, is expected to produce 20 million-21 million mt in 2017, with Ultra coal output accounting for 15 million-16 million mt of the total, a company source said Monday. Bayan reported total production of 13.1 million mt for 2016. Komipo is expected to use Bayan's Ultra coal at its Boryeong power station as well as its newly constructed 2,000 MW Shin Boryeong USC thermal coal power plant, which is using high-efficiency ultra supercritical technology. The South Korean utility currently operates about 8,693 MW of power capacity and has 3,040 MW of capacity under construction. The utility also has about 1,980 MW of power generation projects in Indonesia.

Australian PWCS coal terminals' vessel queue slips to 21 ships

Port Waratah Coal Services' two terminals at Newcastle port in eastern Australia had 21 ships waiting offshore on Sunday, down from 24 ships a week earlier, the Hunter Valley Coal Chain Coordinator said in a report. The ship queue for the PWCS terminals is expected to be less than five by the end of September, HVCCC said Sunday. The PWCS terminals shipped 1.68 million mt of coal exports in the week ended Sunday, down 540,000 mt from a week earlier, and month-to-date exports totaled 930,000 mt, the report showed. Producers expect 8.3 million mt of coal to arrive at PWCS in September, and ships have so far been nominated to load 5.9 million mt for export. For October, arrivals at the PWCS terminals are forecast at 9 million mt, and for November 3.8 million mt.

Month-to-date coal exports via Newcastle port's railway totaled 1.43 million mt, HVCCC said. Around 490,000 mt of coal exports were shipped through the NCIG terminal at Newcastle month to date, according to S&P Global Platts data. Carrington and Kooragang terminals at Port Waratah had combined stocks of 2.21 million mt available for export on Sunday, up 660,000 mt on the previous week. Meanwhile, Gladstone port had 12 ships in its vessel queue Monday, and an additional four ships were loading coal exports at the Queensland port's RG Tanna coal terminal, Gladstone Ports Corporation said.

Coal company earnings up 9%

Việt Nam National Coal and Mineral Industries Group (Vinacomin or TKV) recorded revenue of VNĐ69.8 trillion (US\$3 billion) in the first eight months of this year, the company has announced. The group achieved 65.4 per cent of the yearly plan, equal to 109 per cent of the revenue recorded in the same period last year. Of the estimate, coal sales reached VNĐ35.3 trillion, minerals production and consumption touched VNĐ8.1 trillion, electricity production and sale totalled VNĐ7.7 trillion and mechanical production earned VNĐ1.4 trillion. Meanwhile, production and sale of industrial explosives earned over VNĐ2.8 trillion and other business production secured VNĐ14.4 trillion. The volume of raw coal production was estimated at 24.58 million tonnes, completing 68.3 per cent of the yearly plan and equal to 101 per cent over the same period last year. The production of clean coal was 22.74 million tonnes. Coal consumption during the eight months reached 22.24 million tonnes, of which domestic coal consumption was 21.38 million tonnes and coal export was 866,000 tonnes. In September, coal production is forecast to reach two million tonnes and coal consumption will be 2.5 million tonnes, of which domestic consumption will touch more than 2,300 million tonnes and exports will total over 155,000 tonnes.

According to TKV’s representative, in the last months of the year, the coal industry will continue to manage production according to the monthly consumption capacity, striving to reduce inventory of at least 500,000 tonnes of coal of all varieties to keep inventory at a sensible level by the end of the year. The group will also speed up aluminium production at the Nhân Cơ and Tân Rai factories to increase business efficiency because aluminium prices are currently at a high level. TKV plans to implement a restructuring plan that will focus on technical and technological restructuring, financial restructuring and labour restructuring. At the same time, the company will be proactive in working with local authorities, strengthening inspection, control and protection of resources within the boundaries that have been licensed, preventing loss of coal from the inside of the mine and tightening upstream coal management.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	8.55	+0.25
	Queensland	Japan	9.35	+0.25
	New South Wales	South Korea	9.60	+0.25
Panamax (70,000 tons)	Richards Bay	India West	11.55	-0.25
	Kalimantan	India West	7.80	0.00
	Richards Bay	India East	11.90	-0.25
	Kalimantan	India East	6.75	0.00
	Australia	China	10.20	-0.10
	Australia	India	11.50	-0.40

(Source: Platts Coal Trader International – Date 31/08/2017)