



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

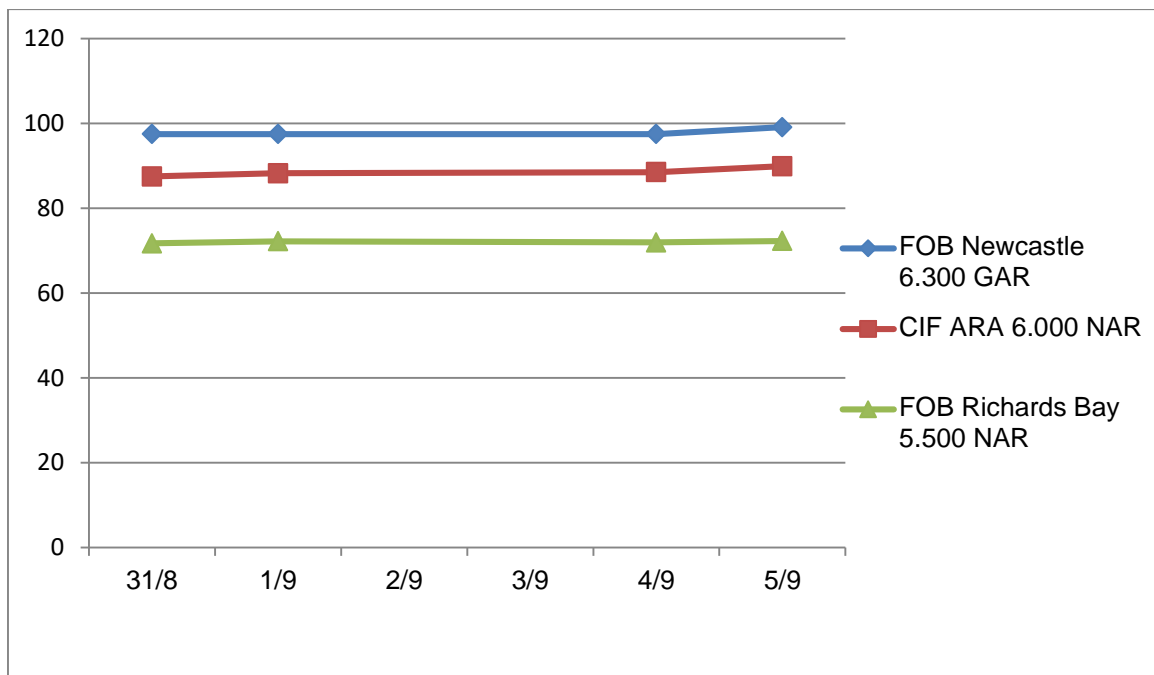
Date 11/09/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	99.10	+1.60	97.60	+1.60
CIF ARA 6,000 NAR	89.90	+1.40	89.20	+0.90
FOB Richards Bay 5,500 NAR	72.30	+0.35	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	77.00	+0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	62.50	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	50.50	+0.00	329.45	+1.53
PCC7 (CFR South China 4,700 NAR)	68.30	+0.10	445.58	+2.73
PCC8 (CFR South China 5,500 NAR)	82.75	+0.25	539.85	+4.14

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 05/09/2017)

NEWS

EVN reaches coal agreement

The Electricity of Việt Nam (EVN) and its coal supplier Việt Nam National Coal - Mineral Industries Holding Corporation Limited (Vinacomin) have finally reached an agreement on coal selling prices for power production. The agreed price, which has not yet been disclosed, has come into effect from September 1, according to the Ministry of Finance. Earlier, the relationship between EVN, the country's largest power generator, and Vinacomin, a long-time coal supplier of EVN, became tense when EVN revealed its plan to reduce coal purchased from Vinacomin, the country's largest coal miner, explaining that the group wanted to buy products at reasonable prices which fitted its power generation technology. EVN was then seeking the Government's permission to move forward with the plan, according to which it looked to reduce its coal purchase to 17.92 million metric tonnes, a two-million-tonne drop from its previous plan. Vinacomin immediately expressed its opposition to EVN's proposal, claiming it would make Vinacomin's coal production costs increase and reduce effectiveness. Besides this, the corporation would have to lay off 4,000 workers to make up for the financial losses if EVN went through with its plan to cut coal purchase. Vinacomin requested intervention by the Government and relevant ministries to convince EVN to avoid purchasing coal from other units this year to avoid losses for Vinacomin. In addition, claiming unfairness in taxes and fees, Vinacomin said the Ministry of Industry and Trade (MoIT) should have policies to encourage use of locally produced coal and limit imported coal. "Under no circumstance should EVN stop buying coal from Vinacomin to purchase coal from foreign suppliers", a representative of EVN said. It was the high coal prices that had forced EVN to cut coal bought from Vinacomin. High coal prices would make electricity production cost increase and force the power sector to bear huge losses, he added. Therefore, instead of buying from Vinacomin, EVN would consider buying coal from other domestic companies at more reasonable prices, he added. At a recent meeting, Minister and Chairman of the Government Office Mai Tiến Dũng requested that the MoIT and related agencies urgently implement solutions to consume Vinacomin's coal inventory. Dũng said Vinacomin should also take measures to lower cost and increase competitiveness. For example, imported coal dust was priced at just VNĐ 1.4 million to 1.6 million (US\$61-70) per tonne, while the price of coal produced by Vinacomin was VNĐ 500,000 higher per tonne, he said.

Coal India exceeds aug output target by 670,000 mt

Indian state-run Coal India, or CIL, exceeded its August output target by 670,000 mt at 37.63 million mt, the company said in a filing with the Bombay Stock Exchange late Friday. The output was also up 16% year on year. However, the production for April-August almost remained flat year on year at 193.10 million mt. The target for the period was 204.99 million mt. The offtake for August was 43.75 million mt as against the target of 43.09 and reflected a growth rate of 19% from the year ago period, the company said. The offtake for the first five months of fiscal 2017-2018 was 225.44 million mt versus a target of 237.32 million mt and was up 6.6% year on year. CIL aims to produce around 600 million mt of coal in the current fiscal year and 1 billion mt of coal by 2019-2020.

Combined coal stocks of China's six key power generators up 3.7% on week

The combined coal stocks held by six key coal-fired power generators in southern and eastern China stood at 11.32 million mt on August 31, up 3.7% from 10.92 million mt on August 24, according to data released by the operator of Qinhuangdao Port on Thursday. The six key power generators are: Zhejiang Power, Shanghai Power, Guodian, Datang, Huaneng, and Guangdong Power, better known as Yudean. Based on the current coal consumption rate, the combined stocks as of August 31, should be able to cover 15.21 days of consumption at the six power generators, up 2.27 days week on week, the data showed. The average coal consumption at the six power generators stood at 743,800 mt/d on August 31, down 11.9% from 843,800 mt/d on August 24, the port operator data showed. A let-up in the recent stretch of hot weather in southern and eastern China has dampened electricity and coal consumption at the six major coal-fired power generators, which led to the rise of coal stocks at the power plants, according to the port operator.

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
Capesize	Australia	China	8.80	+0.30
(150,000 tons)	Queensland	Japan	9.60	+0.30
	New South Wales	South Korea	9.85	+0.30
Panamax	Richards Bay	India West	12.00	+0.35
(70,000 tons)	Kalimantan	India West	8.05	+0.15
	Richards Bay	India East	12.35	+0.35
	Kalimantan	India East	6.95	+0.10
	Australia	China	11.25	+0.80
	Australia	India	12.90	+1.20

(Source: Platts Coal Trader International – Date 05/09/2017)