



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

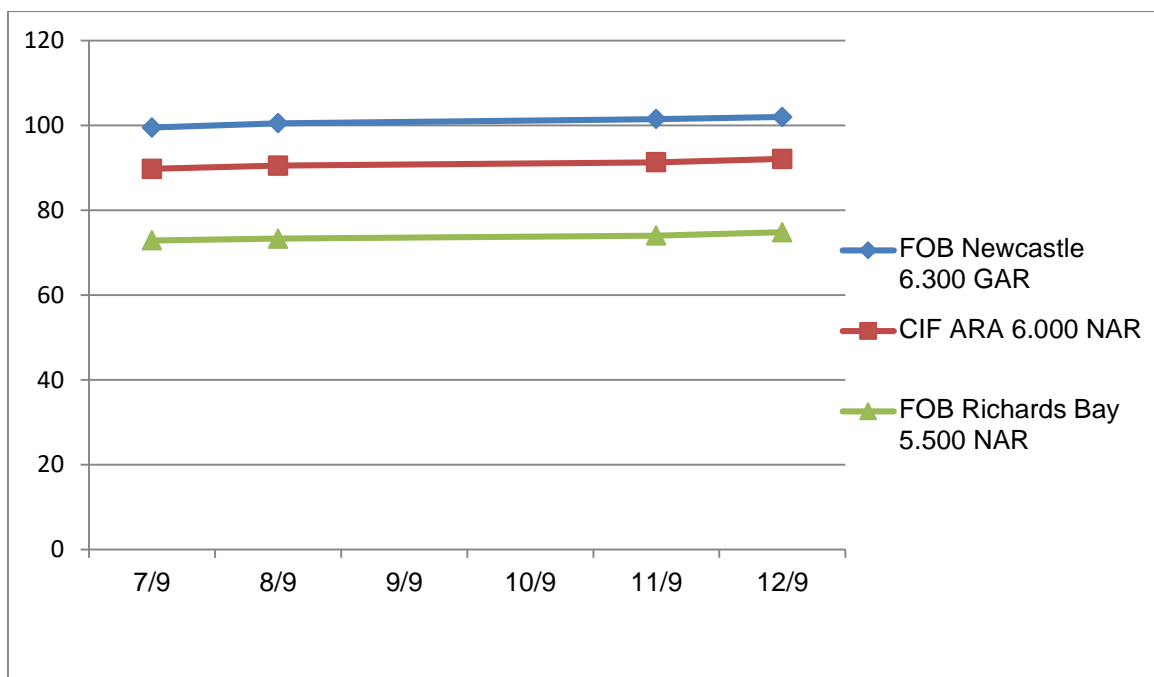
Date 13/09/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	102.00	+ 0.50	100.00	+0.00
CIF ARA 6,000 NAR	92.10	+ 0.80	90.50	+ 0.50
FOB Richards Bay 5,500 NAR	74.80	+ 0.80	N/A	N/A
FOB Kalimantan 5,900 GAR	78.25	+ 0.25	77.50	+0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	63.50	+ 0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	51.50	+ 0.50	335.23	+ 3.76
PCC7 (CFR South China 4,700 NAR)	70.00	+ 1.00	455.66	+ 7.20
PCC8 (CFR South China 5,500 NAR)	83.50	+ 0.25	543.53	+ 2.45

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 12/09/2017)

NEWS

Australian Newcastle coal prices hit 2017-high on strong Asian demand

Australian coal cargo prices for export from its Newcastle terminal hit a 2017-high of \$103.5 per tonne at their last close, driven by strong Asian demand. The Newcastle free-on-board (FOB) contract is seen as a benchmark for Asian thermal coal prices. In particular, robust demand is coming from China, the world's top consumer, where August imports rose to 25.27 million tonnes, their highest since December last year, reflecting increasing appetite from power companies as they build stocks ahead of winter. "The market was ... buoyed by the China customs data, which saw imports in August rise," ANZ bank said in a note to clients.

Demand from Japan is also strong, traders said. "Coal demand from northern Asia is generally pretty strong at the moment. There have also been some loading delays in Indonesia recently, so that's further spurred demand for replacement cargoes from Australia," said one coal shipper. He declined to be identified as he was not authorised to speak with media. Asian demand for coal from Australia is depriving domestic power generators of fuel and driving electricity prices higher. The strong physical market in Asia also showed in financial trading, where benchmark API2 year-ahead coal futures this week hit their highest level since May 2014, at \$81.45 a tonne. The strong demand for coal from Newcastle is good news for mining and trading giant Glencore, which is the biggest supplier to that terminal. The Swiss-based, London-listed company exported 52.5 million tonnes of thermal coal from Australia in 2016, virtually all out of Newcastle, making up a quarter of all of Australia's overseas shipments and the biggest Australian supplier. Glencore's share prices have risen by more than a third since the start of the most recent coal price rally.

Coal Prices: India's Appetite for Coal to Persist

Coal prices have undergone an incredible resurgence over the past few years. Before 2016, coal prices had collapsed as governments around the world increased regulations on coal burning and vowed to move to more environmentally friendly means of electricity generation. But, in 2016 prices soared after China announced that it would cut back coal production. While China targeted the output of the commodity, demand remained and this increased the need for coal imports and buoyed global prices. Coal prices have remained higher in 2017, and now those who doubted that the world could rid itself of coal are having a greater voice. While Western governments have pushed for a removal of coal, simply put coal remains one of the most affordable means of power generation, and in many regions around the world without coal, there would be no electricity. While even China and India are joining the push for a greater use of renewables, these countries' power needs are growing so aggressively that coal will need to remain in the picture. Data released this week from India showed that coal will remain the mainstay fuel for power generation in India in the next two decades, even as renewable energy use increases. Right now, thermal coal accounts for about 55% of India's electricity generation. Through 2040, even as the country increases its renewable energy use, thermal coal use will still account for 48% to 54% of its electricity generation. Knowing very well that coal is here to stay, the Indian government is increasing domestic coal output, and improving infrastructure to facilitate the transport of coal from mines to power plants.

Strikes stretch into fourth month at Glencore's Hunter Valley mines

Industrial action is continuing at several Glencore-operated mines in the New South Wales, Hunter Valley coal field and in Queensland the company has locked out workers from its Oaky North mine, it confirmed Wednesday. The labor dispute stems from worker opposition to Glencore's proposed new collective employment agreements for individual mine sites and erupted into strikes in early June, meaning work stoppages are entering their fourth month. Summarizing the situation at its Hunter Valley open-cut coal mines, Glencore spokesman Allyn Hamonet said in an email: "Rolling stoppages [are occurring] across sites; negotiations continue."

Five open-cut mines operated by Glencore in the Hunter Valley coal region are affected by the strikes — Bulga, Glendell, Liddell, Mangoola and Ravensworth — plus Bulga underground mine, and together they produce around 35 million mt/year of thermal and coking coal. The company's

Ulan underground mine, part of its Ulan complex in the Western coal field of New South Wales, is also affected by labor unrest. The Construction, Forestry, Mining and Energy Union representing around 1,500 workers at the six Hunter Valley mine sites had restarted talks with Glencore two weeks ago in a bid to find a solution to the dispute. The union has been pressing its concerns on employment security, the use of contractor workers, and proposed redundancy terms in the company's new workplace agreements to replace ones that lapsed one to two years ago.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

<i>Unit: USD/ton</i>				
Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.35	- 0.15
	Queensland	Japan	10.85	- 0.15
	New South Wales	South Korea	11.20	- 0.15
Panamax (70,000 tons)	Richards Bay	India West	12.85	+ 0.20
	Kalimantan	India West	9.00	+0.35
	Richards Bay	India East	13.25	+0.25
	Kalimantan	India East	7.90	+0.35
	Australia	China	12.00	+ 0.15
	Australia	India	13.55	+ 0.15

(Source: Platts Coal Trader International – Date 12/09/2017)