



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

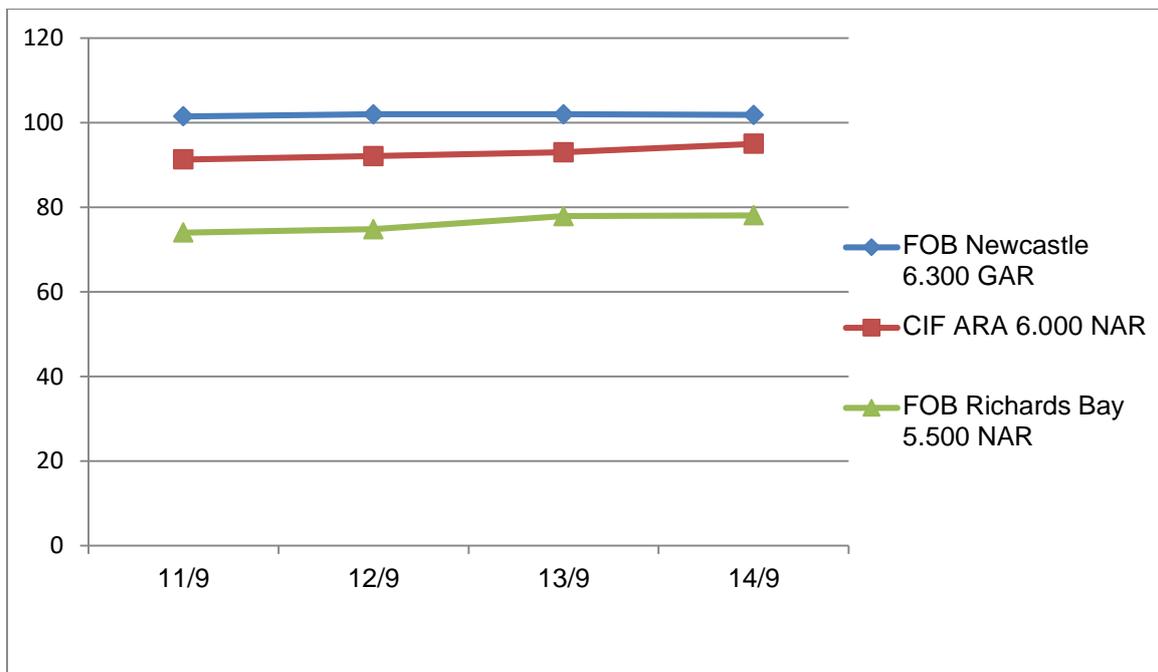
Date 18/09/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	101.85	-0.15	100.15	-0.15
CIF ARA 6,000 NAR	95.00	+2.00	93.70	+2.90
FOB Richards Bay 5,500 NAR	78.10	+0.20	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	78.50	+0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	64.00	+0.25

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	52.25	+ 0.25	399.18	+ 3.43
PCC7 (CFR South China 4,700 NAR)	71.00	+ 0.00	542.44	+2.08
PCC8 (CFR South China 5,500 NAR)	84.50	+ 0.50	645.57	+6.27

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 14/09/2017)

NEWS

North Korea smuggles coal via China, Russia

China and Russia are suspected of letting North Korea smuggle coal out of the country for export in violation of United Nations Security Council sanctions, a U.S. Treasury Department official told a congressional hearing Tuesday. Despite both countries having supported multiple U.N. sanctions against Pyongyang, they are not doing enough to shut down North Korean revenue flows, Marshall Billingslea, the department's assistant secretary for terrorist financing, told the House Foreign Affairs Committee.

Evidence suggests North Korea is dodging sanctions through China and Russia, Billingslea said. He cited a ship that left a Chinese port in June but switched off its location communication device in violation of international maritime regulations before going to the North Korean city of Nampo. The ship left the Nampo port loaded with North Korean coal, switched its tracking device back on and stopped briefly in Russia before heading to a port in China, Billingslea alleged. The ship hid its trip to North Korea to make it appear the coal came from Russia, he claimed, citing satellite images. The assistant secretary also testified that another ship loaded with North Korean coal entered a Russian port, passing the coal onto a Jamaican ship that went to China.

Beijing and Moscow agreed in August to support sanctions barring all imports of North Korean coal, and they also agreed Monday to limit the supply of oil entering the reclusive country. China also is said to be exerting greater pressure on Pyongyang unilaterally. Ostensibly the two countries align with the international community on pushing Pyongyang to halt its military provocations. But many people note that banned economic transactions continue.

India's CIL to focus on hiking domestic coal output, reduce imports

To reduce India's dependence on imported thermal coal, state-owned Coal India Limited was eyeing development of domestic reserves, CIL's interim Chairman and Managing Director Gopal Singh said Thursday. Imports accounted for 23% of India's coal supply in fiscal 2016-2017, running from April-March, he said at the annual general meeting of CIL shareholders. India's coal-based power generation capacity was expected to rise from 125 GW in 2012 to 330-441 GW by 2040, which will require fast development of domestic reserves, he said. Coal production had increased substantially in the last three years, resulting in a reduction in imports and foreign exchange savings of Rupees 259 billion (\$4 billion), he pointed out. India's thermal coal imports have fallen from 174 million mt in fiscal 2014-2015 to 149 million mt in 2016-2017, according to CIL data. During fiscal 2016-2017, CIL produced 554.14 million mt of coal, down from its target of 600 million mt. In August, India imported 14,97 million mt of coal, down 24% from 19,75 million mt in August 2016.

China cleans up winter heating

China has regulated use of cleaner fuel for heating in north China, where coal burning in winter is a major source of pollution. In the Beijing-Tianjin-Hebei region and nearby areas, 28 cities will now use only natural gas, electricity and renewable energy for heating. Other regions in the north should phase out the use of inferior coal, which is widely used in rural areas due to its low cost. Smog is still a very severe problem in winter in northern China. Coal accounts for more than 60 percent of China's primary energy consumption, much higher than the world average, and in the north, the ratio is around 80 percent. The share of non-fossil energy is to rise to 15 percent by 2020 and 20 percent by 2030. Coal consumption will be limited to less than 58 percent of energy use by 2020.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.65	+0.25
	Queensland	Japan	11.15	+0.25
	New South Wales	South Korea	11.50	+0.25
Panamax	Richards Bay	India West	12.95	+0.10

(70,000 tons)	Kalimantan	India West	9.25	+0.25
	Richards Bay	India East	13.45	+0.20
	Kalimantan	India East	8.15	+0.25
	Australia	China	12.50	+0.30
	Australia	India	14.45	+0.45

(Source: *Platts Coal Trader International* – Date 14/09/2017)