



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

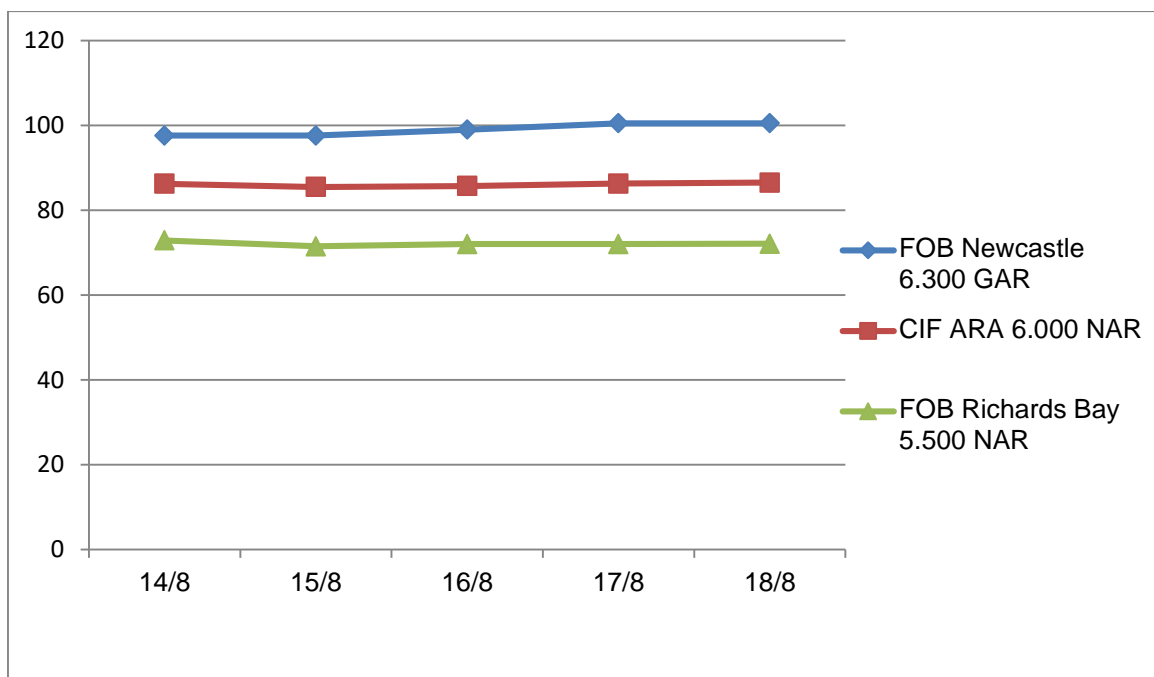
Date 22/08/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	100.50	+0.00	98.00	+0.00
CIF ARA 6,000 NAR	86.50	+0.20	86.40	+0.15
FOB Richards Bay 5,500 NAR	72.10	+0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.95	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	60.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	49.00	+0.00	325.85	+0.15
PCC7 (CFR South China 4,700 NAR)	66.30	+0.10	440.89	+0.87
PCC8 (CFR South China 5,500 NAR)	82.25	+0.05	546.95	+0.57

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 18/08/2017)

NEWS

Australian Pacific cautious on new funding deal

The share price of coal miner Australian Pacific Coal fell by more than 16% on Monday after the company said that it had been unable to reach acceptable terms to finalise a binding funding proposal. The ASX-listed company last week flagged a possible funding offer, telling shareholders that it had received a binding written offer for the provision of funding. However, the company said on Monday that it had not reached acceptable terms with the entity that provided the binding funding proposal, and while discussions remained under way, the company could not provide certainty that an acceptable arrangement could be achieved. The company in May completed a A\$50-million transaction to buy an 83.33% interest in the Dartbrook coal mine, in New South Wales, from diversified miner Anglo American. The project consists of an underground thermal coal mine and associated processing infrastructure, which has been on care and maintenance since 2006. Australian Pacific shares were trading at a low of 0.9c a share on Monday, down from an opening price of 1.1c a share.

Komipo buys 1.28 million mt of Colombian and Indonesian coal

Korea Midland Power (Komipo) bought this week a total of 1.28 million mt of Colombian and Indonesian thermal coal for loading in Q4 2017 to 2018 and for delivery to its Boryeong power plant. Under KOMIPO-Bid Notice-2017-SP08, a source close to the matter said the utility bought five 130,000 mt shipments of Colombian coal with minimum calorific value of 5,700 kcal/kg NAR coal from Macquarie Bank at around \$73/mt FOB, basis 6,080 kcal/kg NAR. One cargo is for shipment in November, while the rest are due for delivery next year, one shipment per quarter. Moreover, according to industry sources, Komipo also bought, under KOMIPO-Bid Notice-2017-SP09, three 70,000-mt shipments of Indonesian coal with minimum calorific value of 4,600 kcal/kg NAR from KPC at around \$83/mt FOB, basis 6,080 kcal/kg NAR, and another six 70,000-mt cargoes of the same specifications, under KOMIPO-Bid Notice-2017-SP10, from STX (two) at the early \$75/mt FOB level and from Trafigura (two) and Flame (two) at mid- to high \$76/mt FOB level, basis 6,080 kcal/kg NAR. All cargoes are for shipment from October to December. All three tenders closed on August 16.

China demand slows, buyers expect price drop for Indonesian coal

Market participants expected thermal coal price corrections in the lead-up to China's winter restocking season as temperatures began to fall and China domestic prices to weaken, sources said Thursday. A Singapore-based trader said Indonesian coal miners were trying to push their offer for 4,200 kcal/kg GAR coal at \$43/mt FOB "as much as they can, but who's going to buy [at that level]?" "Around \$41/mt plus would be a more realistic price," he said, noting that the Chinese market has grown rather quiet lately. He said Indonesian coal availability remained tight though, especially from East Kalimantan, so many buyers and sellers were at a standstill. There were expectations of price corrections in the second half of August and in September, according to this trader. A second Singapore-based trader said the offer for an Augustloading geared vessel cargo of 4,200 kcal/kg GAR coal with 0.6% sulfur from a medium-sized miner was at \$42/mt FOB. Chinese demand is slowing, he said, and the trading level for 4,200 kcal/kg GAR coal with 0.3%-0.4% sulfur in this market would be around \$41.75-\$42/mt FOB, he said. "Anything higher than \$42/mt FOB, no way," he added. A west India-based trader said: "It's surprising we haven't seen much interest yet. The pre-monsoon bookings must be over by now, so we expect [buyers] to be back soon." He surmised that buyers were waiting for Chinese demand to soften further and trigger more drops in prices. Many were just "living off" domestic coal supply and stocks at ports for now, he added. Tentative bids for 4,200 kcal/kg GAR coal were at \$40-\$41/mt FOB. "Above \$41/mt for them would be a struggle already," he said.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
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Unit: USD/ton

Capesize (150,000 tons)	Australia	China	8.90	-0.10
	Queensland	Japan	9.70	-0.10
	New South Wales	South Korea	9.95	-0.10
Panamax (70,000 tons)	Richards Bay	India West	12.15	+0.25
	Kalimantan	India West	7.95	+0.05
	Richards Bay	India East	12.50	+0.25
	Kalimantan	India East	6.90	+0.05
	Australia	China	10.70	+0.15
	Australia	India	12.15	+0.15

(Source: Platts Coal Trader International – Date 18/08/2017)