



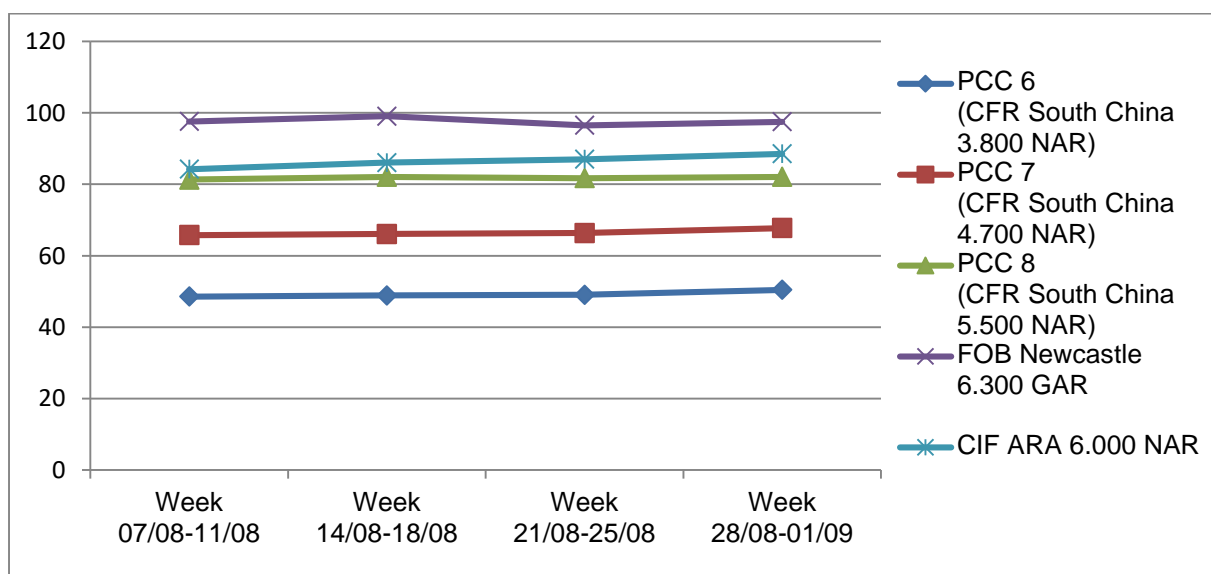
**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**MONTHLY NEWS - AUGUST**  
 (From 01/08 – 31/08/2017)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 07/08-11/08	Week 14/08-18/08	Week 21/08-25/08	Week 28/08-01/09
<b>PCC 6</b> (CFR South China 3,800 NAR)	48.58	48.88	49.07	50.44
<b>PCC 7</b> (CFR South China 4,700 NAR)	65.78	66.08	66.34	67.75
<b>PCC 8</b> (CFR South China 5,500 NAR)	81.32	82.05	81.7	82.08
<b>FOB Newcastle 6,300 GAR</b>	97.56	99.04	96.5	97.50
<b>CIF ARA 6,000 NAR</b>	84.23	86.04	87	88.50
<b>FOB Richards Bay 6,000 NAR</b>	75.74	72.10	71.38	72.58
<b>NEWC</b> (FOB Newcastle 6,000 NAR)	95.40	100.10	101.83	98.16



**Chart 1: Average coal price August (2017)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Month - August	31/7	4/8	9/8	14/8	18/8	25/8	29/8
	<b>Capesize (150,000 tons)</b>							
1	Australia – China	7.15	7.50	7.40	7.95	8.90	8.65	8.50
2	Queensland – Japan	7.95	8.30	8.20	8.75	9.70	9.45	9.30
3	New South Wales – South Korea	8.20	8.55	8.45	9.00	9.95	9.70	9.55
	<b>Panamax (70,000 tons)</b>							
1	Richards Bay - India West	10.40	10.75	10.80	11.15	12.15	11.65	11.65
2	Kalimantan - India West	7.15	7.20	7.25	7.40	7.95	8.00	7.80
3	Richards Bay - India East	10.65	11.00	11.05	11.40	12.50	12.00	12.00
4	Kalimantan - India East	6.10	6.15	6.25	6.50	6.90	6.95	6.75
5	Australia - China	9.30	9.60	9.60	10.30	10.70	10.60	10.40
6	Australia - India	10.55	11.25	11.25	11.70	12.15	12.15	12.00

(Source: Platts Coal Trader International)

## II. NEWS

### July South Africa coal exports drop to year-low

South Africa coal exports totaled 4.69 million mt for July, the lowest monthly volume for 12 months, according to customs data released late Thursday.

Destination	Volume (mt)	% change/month	% change/year	Market share
India	1,634,839	-42	-30	34.82%
Europe	915,487	-15	-25	19.5%
Pakistan	654,232	41	113	13.93%
South Korea	373,100	-37	N/A	7.95%
Taiwan	150,000	-51	0	3.19%
Turkey	86,675	-82	75	1.85%
<b>Total</b>	<b>4,695,602</b>	<b>-30</b>	<b>1</b>	

Exports to key consumer India fell to the lowest volume since January this year, and the lowest July figure since Platts record began in 2014, as utilities kept stocks at low levels due to the monsoon season. Of the major consumers, Pakistan was the only country to increase imports July, rising from June's multiple-month low and continued to show increased flows compared to previous years, with its market share doubling month on month to 14%. European imports dropped from June's year-high volume as exports to the Iberian Peninsula – a key driver behind the continent's June figure – fell by 56% month on month, while exports to key terminals in Holland rose 70% month on month to 382,093 mt. Exports to South Korea, Turkey, and Taiwan all fell month on month, with each destination experiencing multiple-month lows but performing stronger year on year.

### Strong support for coal-fired power in NSW

New research has found strong public support for the construction of a new low emissions coal-fired power station in NSW. New research has found strong public support for the construction of a new low emissions coal-fired power station in NSW. A recent public opinion survey of a representative sample of 1000 people across NSW conducted by Crosby Textor for the NSW Minerals Council found 64% support for the construction of a new coal-fired power plant if it could produce electricity at lower emissions than existing power plants. Only 33% were opposed. Significantly, the research found that 81% of Coalition voters were in support, with only 16% opposed. Among Labour voters, support was at 57% compared with 40% opposed. 59% of Sydney residents were in support, with 69% support across regional NSW.

“This research shows significant support right across NSW for new coal fired power plants to be part of our future energy mix,” NSW Minerals Council CEO, Stephen Galilee said.

“Since the recent closure of coal power plants in Victoria and South Australia we’ve seen a reduction in supply and a spike in prices. In the Hunter, AGL intends to close the Liddell power station in just five years and without replacement capacity these issues are set to get worse,” Mr Galilee said.

“Mining and manufacturing businesses in the industrial parks of western Sydney and in regional mining communities regularly express their concerns to me about the high cost of electricity and future reliability of supply.”

“While most generally support more renewable energy, many are concerned about the inability to run their businesses using intermittent wind and solar. Many fear they will be forced to follow businesses in South Australia and use diesel generators as backup in case their power supply goes due to grid instability,” Mr Galilee said.

“Households have also been hit by high power bills over the winter months and with Summer approaching our electricity grid will come under increased pressure.”

A new High Efficiency, Low Emission (HELE) coal-fired power plant has the potential to lock in the energy needs of NSW for decades while also reducing emissions from the current levels at the Liddell plant by around 25%.

“This is not a choice between renewables and coal. It’s a commonsense partnership. The guarantee of stable, reliable baseload electricity from coal would enable more renewable energy to be integrated into the electricity grid,” Mr Galilee said.

“Here in NSW we have the infrastructure, the high quality coal, the world class mining workforce and the demand needed to make this partnership a success.”

### **Ukraine's Jan-Aug coal output down 9.4% on year, causing shortages**

Ukraine's coal output fell 9.4% year-on-year to 23.59 million mt in January-August, down from 26.05 million mt produced a year ago, the energy and coal industry ministry reported Thursday, citing preliminary data. Thermal coal production dropped 5% to 19.09 million mt in the first

eight months from 20.09 million mt, while coking coal output fell 24.5% to 4.5 million mt from 5.96 million mt.

"Currently we are experiencing shortages of thermal coal produced on the Ukrainian territory," Energy and Coal Industry Minister Ihor Nasalyk said Thursday. Ukraine's coal production has been disrupted since June 2014 due to an armed conflict with pro-Russian rebels in Donetsk and Luhansk, the country's two key coal production regions. The situation aggravated in February when the rebels completely shut down supplies of coal to Ukraine, diverting supplies to Russia. Ukraine reacted by scrambling to increase imports of anthracite coal from South Africa and the US to make sure the country has enough coal to survive the six-month high-demand season that begins in October. In August alone, Ukraine produced 2.54 million mt of coal, down 25.7% year-on-year from 3.42 million mt in August 2016 and also down from 2.64 million mt in July. Extraction of thermal coal dropped 25.4% to 2.09 million mt in August from 2.8 million mt in the same period a year ago, while coking coal output fell 26.8% to 454,000 mt from 620,000 mt. Ukraine produced 40.86 million mt of coal in 2016, up from 39.74 million mt in 2015.

#### **Indian ports' Apr-Aug thermal coal handling volume drops 19% on year**

India's 12 major government-owned ports handled about 35.12 million mt of thermal coal over April-August, down 18.6% from the corresponding period a year ago, latest data by the Indian Ports Association showed. Coking coal shipments in the first five months of fiscal 2017-2018 were flat year on year at 20.51 million mt, the data showed. Paradip port on the east coast handled the highest volume of thermal coal shipments during the five-month period at 10.43 million mt, falling 14% year on year. Paradip port also received the highest coking coal shipments over April-August at 5 million mt, up 19% year on year. The 12 ports are Kolkata, Paradip, Visakhapatnam, Ennore, Chennai, VO Chidambaranar in Tuticorin, Cochin, New Mangalore, Mormugao, Mumbai, Jawaharlal Nehru Port Trust and Kandla. Chennai and JNPT did not receive any coal over April-August.

*(Source: Platts)*