



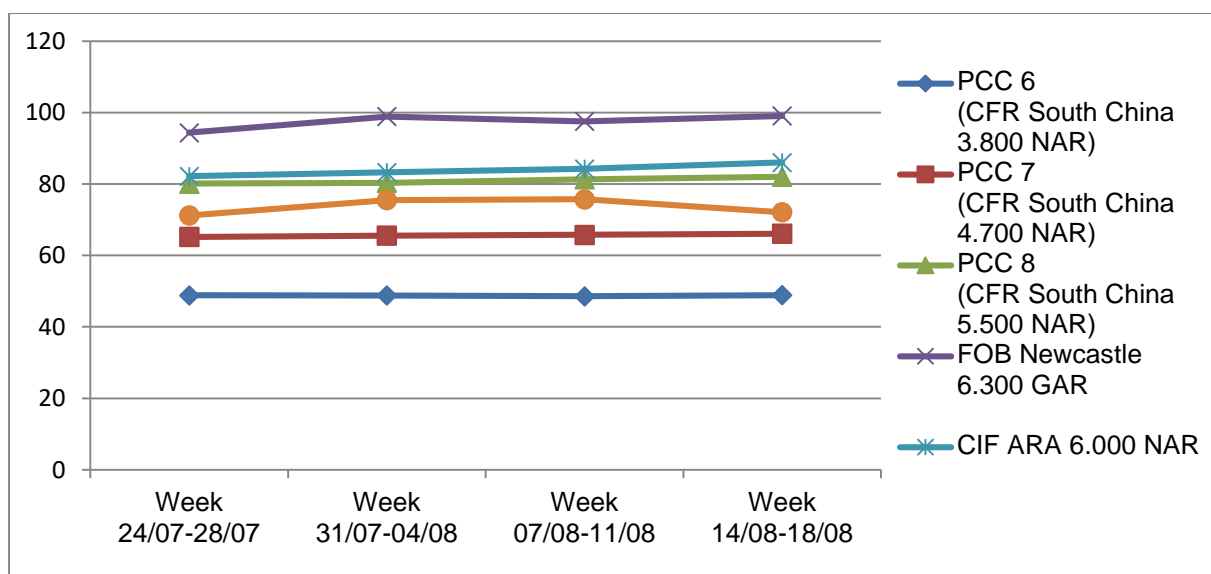
**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**WEEKLY NEWS - THIRD WEEK OF**  
**AUGUST**  
 (From 14/08 – 18/08/2017)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 24/07-28/07	Week 31/07-04/08	Week 07/08-11/08	Week 14/08-18/08
<b>PCC 6</b> (CFR South China 3,800 NAR)	48.84	48.82	48.58	48.88
<b>PCC 7</b> (CFR South China 4,700 NAR)	65.18	65.55	65.78	66.08
<b>PCC 8</b> (CFR South China 5,500 NAR)	80.12	80.32	81.32	82.05
<b>FOB Newcastle 6,300 GAR</b>	94.37	98.90	97.56	99.04
<b>CIF ARA 6,000 NAR</b>	82.19	83.24	84.23	86.04
<b>FOB Richards Bay 6,000 NAR</b>	71.20	75.50	75.74	72.10
<b>NEWC</b> (FOB Newcastle 6,000 NAR)	97.00	97.00	95.40	100.10



*Chart 1: Average coal price week 3rd August (2017)*

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 3rd- August	14/08	15/08	16/08	17/08	18/08
<b>Capesize (150,000 tons)</b>						
1	Australia – China	7.95	7.95	8.20	9.00	8.90
2	Queensland – Japan	8.75	8.75	9.00	9.80	9.70
3	New South Wales – South Korea	9.00	9.00	9.25	10.05	9.95
<b>Panamax (70,000 tons)</b>						
1	Richards Bay - India West	11.15	11.15	11.40	11.90	12.15
2	Kalimantan - India West	7.40	7.40	7.60	7.90	7.95
3	Richards Bay - India East	11.40	11.40	11.75	12.25	12.50
4	Kalimantan - India East	6.50	6.50	6.70	6.85	6.90
5	Australia - China	10.30	10.30	10.45	10.55	10.70
6	Australia - India	11.70	11.70	11.85	12.00	12.15

(Source: Platts Coal Trader International)

## II. NEWS

### Taiwan June thermal coal imports drop from record levels

After four-year highs seen in May, Taiwan thermal coal import volumes fell back 24% on-month June, the first on-month drop since February this year, according to customs data released Tuesday. Imported volumes for June stood at 5.5 million mt with bituminous coal making up 97% of total volumes, S&P Global Platts calculations showed.

Origin	Volume (tons)	% on - month	% on year
Australia	2,244,186	- 30	- 7
Indonesia	1,521,387	- 29	- 10
Russia	1,185,210	69	61
South Africa	329,852	106	NA
USA	87,504	- 75	NA
Canada	80,379	- 82	- 68
China	48,710	- 3	195
Colombia	0	- 100	NA
Total	5,497,228	- 24	7

Australia remains the largest supplier to Taiwan, however imports of 2.24 million mt represent the lowest monthly volume seen since January 2016, down 30% from last month's year-to-date high. Imports from Indonesia followed this trend, falling 29% on-month, however Russia increased its share of the import market, climbing 69% on-month with the volume of 1.19 million mt being the highest recorded figure according to Platts historical records. Imports from South Africa remained a regular feature in this import market, continuing a trend started in September 2016, and June figures reached a year-to-date high of 329,852 mt. The US continues to be more of a presence in the market, though imports fell 75% from May's record-high levels. Canada followed a similar trend, down 82% from last month's record levels. Colombian imports dropped completely, a normal fixture in this market, while minimal volumes of imports from China and Thailand were also recorded.

## **Year-high Newcastle trade drags CIF ARA prices higher**

Year-high prices reported out of Newcastle 6,000 kcal/kg NAR thermal coal spiked to \$108/mt FOB in the Asia trading session almost singlehandedly dragged several markets upward Friday, and CIF ARA prices continue to enjoy seven-month highs as a result. The CIF ARA 15-60 day price rose to \$86.50/mt Friday, 20 cents up on-day and \$1.70 on-week. One deal was reported during the afternoon for a 50,000 mt October-delivery multi-origin cargo with US optionality and exchange of futures for physical terms at \$87.20/mt through Atlantic Brokers, 20 cents above a similar deal reported Thursday and the highest reported deal seen since late January this year.

Several sources confirmed that this movement of Colombia-origin coal to supply east Asia, particularly South Korea and Japan, would likely become more of a regular fixture having been seen previously when the arbitrage was open. “Buyers in Korea and Japan are willing to diversify their supply, so this could possibly keep a flow of material headed there even if the Newcastle price comes back down,” a northwest Europe-based trader suggested. The weekly Russia Baltic price saw downward movement to \$81/mt FOB, as concluded deals were limited and a rising freight rate coupled with lower premiums to the index price capped the room for upward movement. The quieter Turkish market also added to this negative sentiment, as the only significant deal was reportedly for Colombiaorigin coal rather than Russian.

## **Wollar Progress Association Incorporated v Wilpinjong Coal Pty Limited & Anor**

Wilpinjong Coal, a subsidiary of Peabody, sought permission to expand its open-cut mining operations for an additional seven years and develop a new open cut pit that will bring the mine closer to the village of Wollar. The Wollar Progress Association has long held concerns about the impact of the Wilpinjong mine on the local community and the environment. The Wollar Progress Association is arguing that the approval is invalid because, among other things, the PAC hasn’t considered climate change impacts in the way it should according to NSW planning law. The NSW Government introduced a State Environmental Planning Policy in 2007 which requires decision-makers to consider the greenhouse emissions of mines, including downstream emissions. The law requires the decision-maker to have regard to relevant State or national policies, programs of guidelines. NSW currently has a target of net-zero emissions by 2050 under its 2016 Climate Change Policy Framework.

The Wollar Progress Association is arguing that the emissions from the burning of this coal should have been considered by the PAC in light of government objectives to reduce greenhouse gas emissions. This is the first case to test the efficacy of these requirements, which were designed to ensure the climate change impacts of mining are fully assessed, including emissions arising from the burning of product coal once sold. The proper assessment of downstream emissions is particularly important in this case because a substantial proportion of the coal from the Wilpinjong mine is planned to be burned at power stations within NSW.

The Wollar Progress Association is also arguing that the approval is invalid on other grounds. Firstly, that the PAC was not properly constituted in accordance with legal requirements; secondly, that the PAC did not undertake a proper assessment of the impacts on biodiversity. The mine will clear endangered ecological communities.

*(Source: Platts)*