



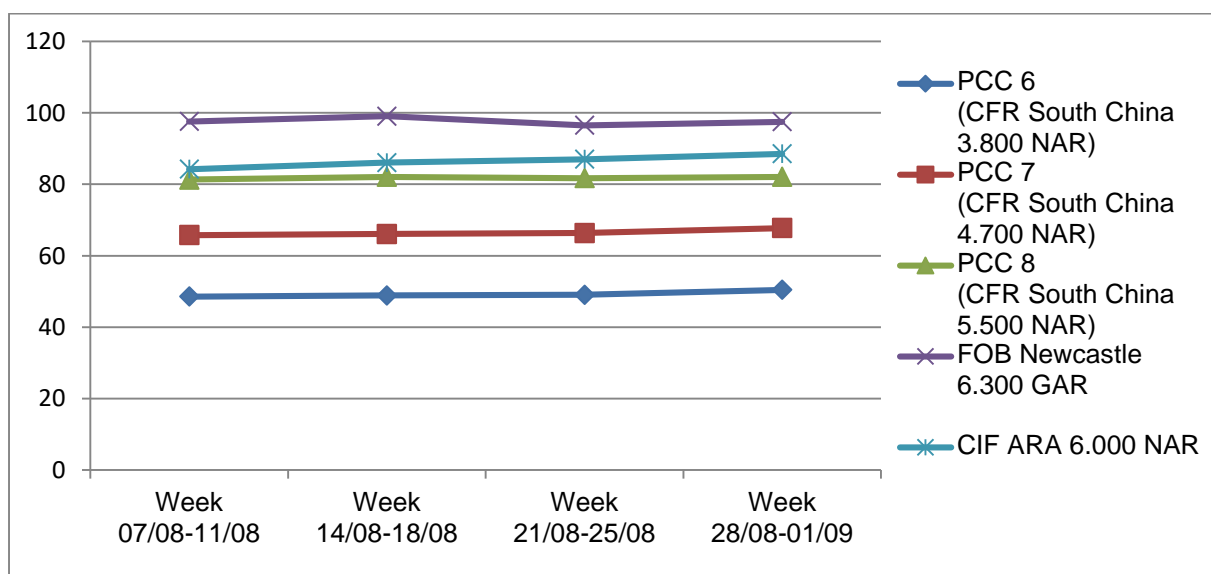
**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**WEEKLY NEWS - FOURTH WEEK**  
**OF AUGUST**  
 (From 21/08 – 25/08/2017)

**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> <i>(CFR South China 3,800 NAR)</i>	<b>48.58</b>	<b>48.88</b>	<b>49.07</b>	<b>50.44</b>
<b>PCC 7</b> <i>(CFR South China 4,700 NAR)</i>	<b>65.78</b>	<b>66.08</b>	<b>66.34</b>	<b>67.75</b>
<b>PCC 8</b> <i>(CFR South China 5,500 NAR)</i>	<b>81.32</b>	<b>82.05</b>	<b>81.7</b>	<b>82.08</b>
<b>FOB Newcastle 6,300 GAR</b>	<b>97.56</b>	<b>99.04</b>	<b>96.5</b>	<b>97.50</b>
<b>CIF ARA 6,000 NAR</b>	<b>84.23</b>	<b>86.04</b>	<b>87</b>	<b>88.50</b>
<b>FOB Richards Bay 6,000 NAR</b>	<b>75.74</b>	<b>72.10</b>	<b>71.38</b>	<b>72.58</b>
<b>NEWC</b> <i>(FOB Newcastle 6,000 NAR)</i>	<b>95.40</b>	<b>100.10</b>	<b>101.83</b>	<b>98.16</b>



**Chart 1: Average coal price week 4th August (2017)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 4 <sup>th</sup> - August	28/08	29/08	30/08	31/08	01/09
<b>Capesize</b> (150,000 tons)						
1	Australia – China	N/A	8.50	8.30	8.55	N/A
2	Queensland – Japan	N/A	9.30	9.10	9.35	N/A
3	New South Wales – South Korea	N/A	9.55	9.35	9.60	N/A
<b>Panamax</b> (70,000 tons)						
1	Richards Bay - India West	N/A	11.65	11.80	11.55	N/A
2	Kalimantan - India West	N/A	7.80	7.80	7.80	N/A
3	Richards Bay - India East	N/A	12.00	12.15	11.90	N/A
4	Kalimantan - India East	N/A	6.75	6.75	6.75	N/A
5	Australia - China	N/A	10.40	10.30	10.20	N/A
6	Australia - India	N/A	12.00	11.90	11.50	N/A

(Source: Platts Coal Trader International)

## II. NEWS

### Rio Tinto raises coal reserve estimate for Australia mine

Global miner Rio Tinto said it has increased its estimate of coal reserves by 50 percent at the Kestrel mine in the Australian state of Queensland, which it has reportedly put up for sale. Rio Tinto said on Tuesday that it now estimates ore reserves at the Kestrel mine at 185 million tonnes, up from 123 million tonnes previously. Reuters reported in May that the miner planned to sell its Kestrel and Hail Creek mines in coal-rich Queensland as part of a full exit from Australian coal to focus on iron ore, copper and aluminum. The new estimates followed “rigorous examination of leases that included an updated geological model, updated mine layout, revised coal product classifications and revised loss and dilution and productivity assumptions,” Rio said in a statement. Rio Tinto has an 80 percent stake in Kestrel. It is yet to formally announce a sale, but has already attracted scores of interested buyers, according to sources familiar with the situation. Analysts expect each of the mines to sell for more than \$2 billion.

### Uptick in Indonesia thermal coal inquiries fuel bullish sentiment

The rise in number of inquiries for imported thermal coal from both China and India has propped up bullish sentiments in the market, with prices maintaining the upward trend this week amid limited cargo availability in Indonesia, sources said Tuesday. “The market is good thanks to the return of the Indian buyers,” an Indonesia-based trader said. The stock level at Indian power plants is low, thus opening a window for the Indian merchant power producers, he added. “They are willing to pay higher as well.” Meanwhile, he noted that Indonesian producers have yet to reach their optimum production level, so the added volume is not expected to hit the market until later this year. The trader saw offers for end-September or October loading Panamax shipments

of 4,200 kcal/kg GAR — or 3,800 kcal/kg NAR — coal at \$45-\$45.50/mt FOB, versus bids at \$44.50-\$44.75/mt FOB.

Similarly, a second Indonesia-based trader saw prices inching up again this week, with offers heard at \$44-\$45/mt FOB for 3,800 kcal/kg NAR coal. He sold on Monday a geared shipment of 3,800 kcal/kg NAR coal to China for end-September loading at \$43.50/mt FOB. This trader pegged 5,100 kcal/kg GAR coal at \$63/mt FOB. According to the first Indonesia-based trader, there was buying interest for mid-calorific-value coal from India, Thailand and Vietnam, thus offering support to prices for this grade. He heard a Supramax shipment of 5,000 kcal/kg GAR coal reportedly sold to Vietnam last week at \$62.75/mt FOB for loading in end-September. He also received last week a bid from Thailand for a Supramax shipment of 5,000 kcal/kg GAR coal with second-half September laycan at \$62.50/mt FOB. “China is going slow for this grade. India is paying better,” he said, adding that the best bid he received last week from India for this midCV grade was at \$61.75/mt FOB. A North India-based trader said \$62/mt FOB would be a tradable level for 5,000 kcal/kg GAR coal in India. He added that there was also a pickup in inquiries for lower-CV coals, such as 3,400-3,600 kcal/kg GAR coal, among Indian buyers.

#### **Indonesia's Sep HBA thermal coal price jumps 10% on month to \$92.03/mt**

Indonesia's Ministry of Energy and Mineral Resources set its September thermal coal reference price, also known as Harga Batubara Acuan or HBA, at a nine-month high of \$92.03/mt, a jump of 9.6% month on month and 44% year on year. The ministry had set the price for August at \$83.97/mt and for September 2016 at \$63.93/mt. The HBA is a monthly average price based 25% on the Platts Kalimantan 5,900 kcal/kg GAR assessment; 25% on the Argus-Indonesia Coal Index 1 (6,500 kcal/kg GAR); 25% on the Newcastle Export Index -- formerly the Barlow-Jonker index (6,322 kcal/kg GAR) of Energy Publishing -- and 25% on the globalCOAL Newcastle (6,000 kcal/kg NAR) index. In August, the daily Platts FOB Kalimantan 5,900 kcal/kg GAR coal assessment averaged \$75.12/mt, up from \$72.44/mt in July, while the daily 90-day Platts Newcastle FOB price for coal with a calorific value of 6,300 kcal/kg GAR averaged \$95.89/mt, up from \$87.53/mt in July. The HBA price for thermal coal is the basis for determining the prices of 77 Indonesian coal products and calculating the royalty producers have to pay for each metric ton of coal sold. It is based on 6,322 kcal/kg GAR coal, with 8% total moisture content, 15% ash as received and 0.8% sulfur as received.

*(Source: Platts)*