



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

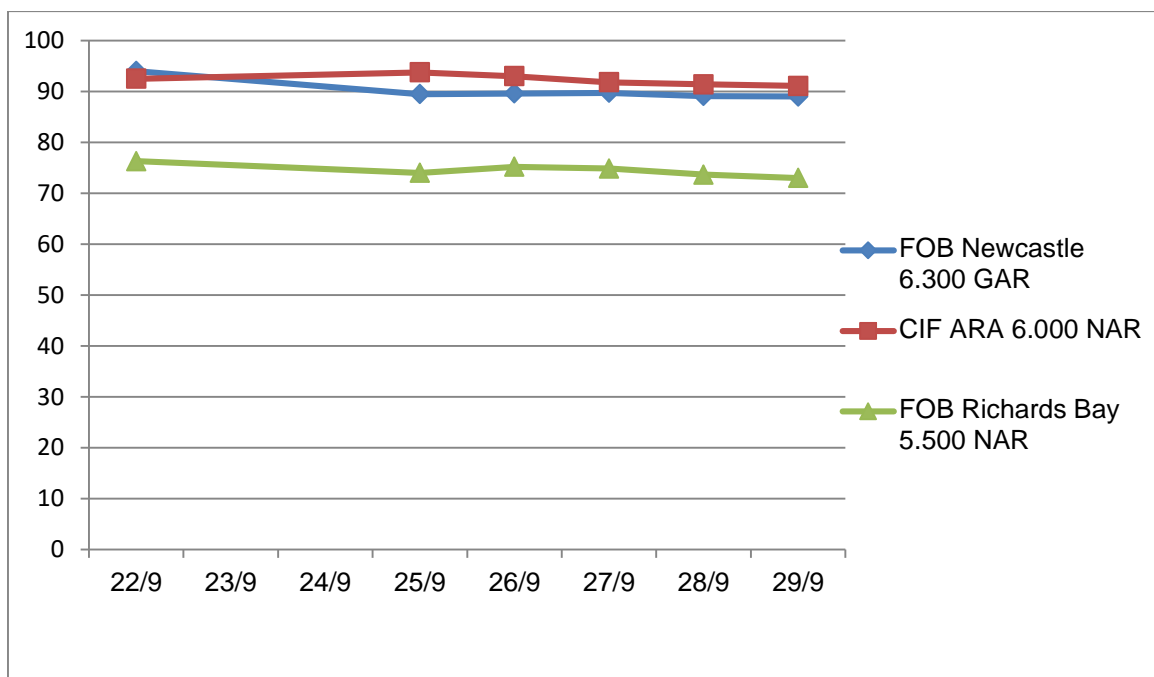
Date 02/10/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	89.00	-0.10	93.35	+0.35
CIF ARA 6,000 NAR	91.10	-0.30	89.35	-0.45
FOB Richards Bay 5,500 NAR	73.00	-0.65	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.00	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	67.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.60	-0.70	361.45	-5.85
PCC7 (CFR South China 4,700 NAR)	75.30	-0.20	498.49	-2.98
PCC8 (CFR South China 5,500 NAR)	89.50	+0.00	592.49	-1.97

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 29/09/2017)

NEWS

Coal India to invest Rs 15,000 cr in FY18

The world's largest coal miner, CIL, is lining up nearly Rs 8,500 crore as capital expenditure, and Rs 6,500 crore for various other projects in the ongoing fiscal. The projects include a supercritical thermal power plant, solar energy and coal gasification. "The capital expenditure for 2017-18 has been set at Rs 8,500 crore," an official said. Further, the official said, the company is planning to pump in Rs 6,500 crore in a host of projects, including a supercritical thermal power plant, solar power, revival of fertiliser plants, coal gasification and coal bed methane (CBM) during 2017-18. "In light of the Paris Protocol and consequent changes in the world energy scenario, Coal India is looking forward to diversify its operations towards renewable energy like solar power and clean energy sources like coal mine methane, CBM, coal to liquid and underground coal gasification (UCG), following the government's directives," the official added. The overall capital expenditure of CIL during 2016-17 stood at Rs 7,700 crore, against Rs 6,123 crore in the previous year. "Capital expenditure incurred during 2016-17 is 99.16% of Budget estimates, against (102.21%) in 2015-16," he added. Earlier, the government had said the coal major had taken various steps for full utilisation of capex in 2017-18. CIL is eyeing an output of one billion tonnes by 2020.

Russia props up Ukraine rebels with coal sales from war zone

Russia is helping Ukrainian rebels sell coal on international markets to raise much-needed cash for pensions and social needs, evading a blockade imposed by the government in Kiev as efforts to implement a peace deal remain stalled. The separatists are sending nearly 1 million tons of coal per month to Russia across their shared border as of August, boosting income to support the 4 million inhabitants of the breakaway eastern Ukrainian regions, Russian Deputy Economy Minister Sergei Nazarov said. Russia re-exports the coal to third countries via its sea ports, he said in an interview, confirming Ukrainian accusations that it's fostering trade links for the rebels.

Ukrainian prosecutors began an investigation in June into illegal exports of coal from rebel-held regions to Russia, the Prosecutor General's spokeswoman Larisa Sargan said, after local media reported that anthracite went to Turkey via the Russian port of Rostov-on-Don. The separatists also send coal to at least seven other countries, Ukrainian Energy Minister Ihor Nasalyk said in July, the BBC reported. There's little Ukraine can do to stop the trade. Russia doesn't need to use the rebel coal itself, Nazarov said. Russian Deputy Energy Minister Anatoly Yanovsky said in August that Russia is a transit country for most of the coal but is also using some at a power station in Rostov region. Russia's unlikely to face penalties over the coal trade because "the rebels don't exist in the international legal framework" and its coal exports aren't affected by the sanctions, said Andrey Movchan, director of the economic policy program at the Carnegie Moscow Center. Ukraine struck a deal in July to buy U.S. coal to help plug a deficit caused by the loss of supplies from the east.

Asian thermal coal prices fall as China demand cools

Asian thermal coal prices softened Friday as major Chinese coal producers adjusted their spot prices lower ahead of anticipated weak demand, sources said. A few sources in China said major coal producers Shenhua, China Coal, and Yitai lowered their spot offers late Thursday for 5,500 kcal/kg NAR domestic coal by Yuan 10/mt to keep prices from rising ahead of the Golden Week holidays next week. This was in view of governmental orders to stem the rise in prices and stabilize the market, a North China-based trader said. "But [coal] availability at the North China port is still tight. Some miners are still offering at high prices to test the market," he added. Miners might have dropped their spot offers, but Shenhua raised its prompt-month October long-term contract price to Yuan 570/mt FOB, up from its September contract price of Yuan 564/mt FOB. Current spot offers

for domestic 5,500 kcal/kg NAR coal were still mostly within the range of Yuan 730-740/mt FOB, but trades were at the Yuan 725/mt FOB level, a second trader in China said. Lower offers and trades were also heard Friday for imported thermal coal, as buying activities slowed. An Australia-based trader said he sold this week an Octoberloading post-Panamax shipment of Australian 5,500 kcal/kg NAR coal at \$88/mt CFR South China. He pegged the freight rate from Newcastle at \$13/mt.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change	<i>Unit: USD/ton</i>
Capesize (150,000 tons)	Australia	China	9.15	-0.25	
	Queensland	Japan	10.65	-0.25	
	New South Wales	South Korea	11.00	-0.25	
Panamax (70,000 tons)	Richards Bay	India West	12.50	-0.20	
	Kalimantan	India West	8.80	-0.50	
	Richards Bay	India East	13.00	-0.20	
	Kalimantan	India East	7.55	-0.50	
	Australia	China	11.95	-0.40	
	Australia	India	13.90	-0.10	

(Source: Platts Coal Trader International – Date 29/09/2017)