



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

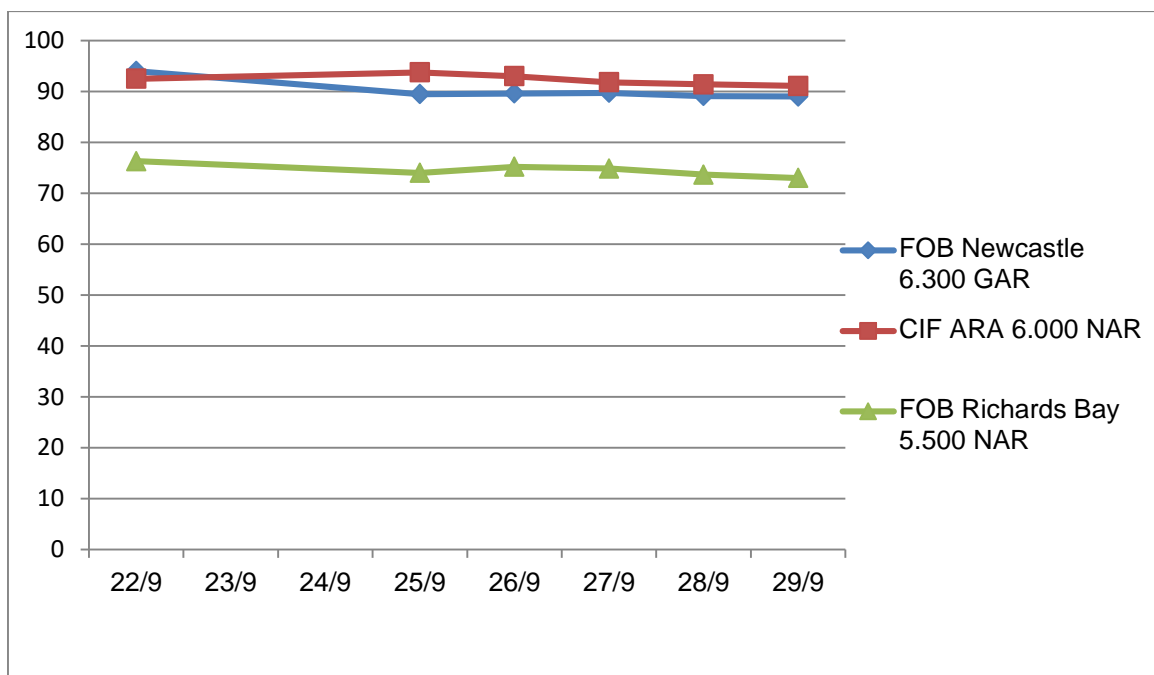
Date 03/10/2017

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

Australia's port Kembla Coal terminal exports continue to lag

Coal exports from Australia's Port Kembla Coal Terminal continued to lag in September following issues effecting production at one of the port's key suppliers, data from the terminal operator showed over the weekend. While export figures in September rose 73% from 155,654 mt in August to 269,170 mt in September, they remained low in comparison to recent months and down 57% year on year from 623,477 mt. The September volume is 47% lower than the monthly average of 504,015 mt over January-September.

South32's Appin Colliery, which exports via the port, has had production on hold since late June due to high gas levels. "We are continuing to review our operating systems and practices at Illawarra Metallurgical Coal, with a specific emphasis on gas drainage and ventilation at the Appin colliery," South32 said in its annual report in mid-September. "We will provide a further update when we release our September quarterly results on October 19, 2017," it added. The Appin colliery accounted for 49% of Illawarra Metallurgical Coal's total 7.07 million mt of production in fiscal 2016-2017 (July-June) — 5.70 million mt of which was metallurgical coal, according to data from South32. Coal stocks at PKCT were 164,318 mt on Sunday, down 28% from 226,839 mt a month earlier and down 34% from 250,057 mt a year earlier, PKCT data showed. There weren't any ships assembled or queuing at the terminal on Sunday, according to the shipping data. PKCT services the Southern and Western coal fields of New South Wales..

Coal of Africa's Makhado Project to start in a year

The JSE listed coal development and operating company Coal of Africa (CoAL) announced its downscaled plan for its Makhado Project in the Soutpansberg area in Limpopo. The original Makhado Project development plan included a 26-month construction phase followed by a four-month ramp-up to achieve a production rate of 5.5million tons per annum (mtpa) with a capital requirement of \$281million (R3.8billion). The company has reviewed Makhado's development plan and re-assessed its strategy, resulting in an amended plan requiring reduced capital expenditure, a shorter construction period and earlier than planned production. "This revised strategy anticipates that the Makhado Lite Project will be constructed in 12months, costing an estimated \$75 to \$85m and allows for the future expansion of mining and production. "The Makhado Lite Project will produce approximately 1.7mtpa of saleable coal, comprising 0.7mtpa to 0.8mtpa of hard coking coal and 0.9mtpa to 1mtpa of export quality thermal coal."

CoAL is a listed coal exploration, development and mining company operating in South Africa. CoAL's key projects include the Uitkomst Colliery, Makhado Project (coking and thermal coal), Vele Colliery (coking and thermal coal) and the Greater Soutpansberg Project (MbeuYashu). In the results for the year to end June, the company incurred a net loss after tax of \$17.4m, improving on last year's loss of \$22.5m, including an impairment of \$10.6m, a foreign exchange gain of \$3.4m and depreciation and amortisation charges of \$0.4m. Net cash outflows from operating activities were \$9.8m, down from \$12.7m and net cash outflow from investing activities were \$6.2m, up from last year's \$3.8m. During the period the company had a net current asset position of \$11.6m and net current liability position of \$9.6m, excluding assets and liabilities classified as held for sale. The company raised additional capital of \$15m from M&G Investment Management and Summer Trees. CoAL also received a debt facility for up to R240m secured from the Industrial Development Corporation of South Africa for the development of the Makhado Coking and Thermal Coal Project.

Polish exporter to fill domestic coal hole with U.S. imports

A domestic coal shortage has forced Poland's largest coal exporter Weglokoks to order a shipment from the United States so that it can honour contracts with its overseas buyers. Weglokoks said on Wednesday that it plans to resell the imported U.S. coal abroad, mostly to the Czech Republic, Slovakia, Hungary, Germany and Austria, but would also consider sales to customers in Poland in the future. That would be likely to cause friction with Poland's energy ministry, which expects the country's utilities to buy and burn coal from domestic mines. "We want the energy security in Poland to be guaranteed by Polish coal production," Energy Minister Krzysztof Tchorzewski told Reuters on Wednesday following the news from Weglokoks.

Poland's biggest coal mining firm PGG, which was saved from bankruptcy last year, is struggling to meet demand from its major clients – mostly state-run listed utilities, after cost-cutting led to lower investment. Weglokoks, which is one of PGG shareholders as well as one of its clients, sees its coal exports at around 2.5 million tonnes this year down from 4 million tonnes in 2016. "The fall results from a bigger demand on the domestic market, which has led to a limited access to coal for export," Weglokoks spokesman said in an e-mail. The first test shipment from the U.S. of 75,000 tonnes of high-energy coal is expected to arrive in Poland in mid October, Weglokoks said, adding that it does not rule out more cargoes, also from Kazakhstan and Colombia.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

<i>Unit: USD/ton</i>				
Size	From	To	Freight rates	Change
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)