



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

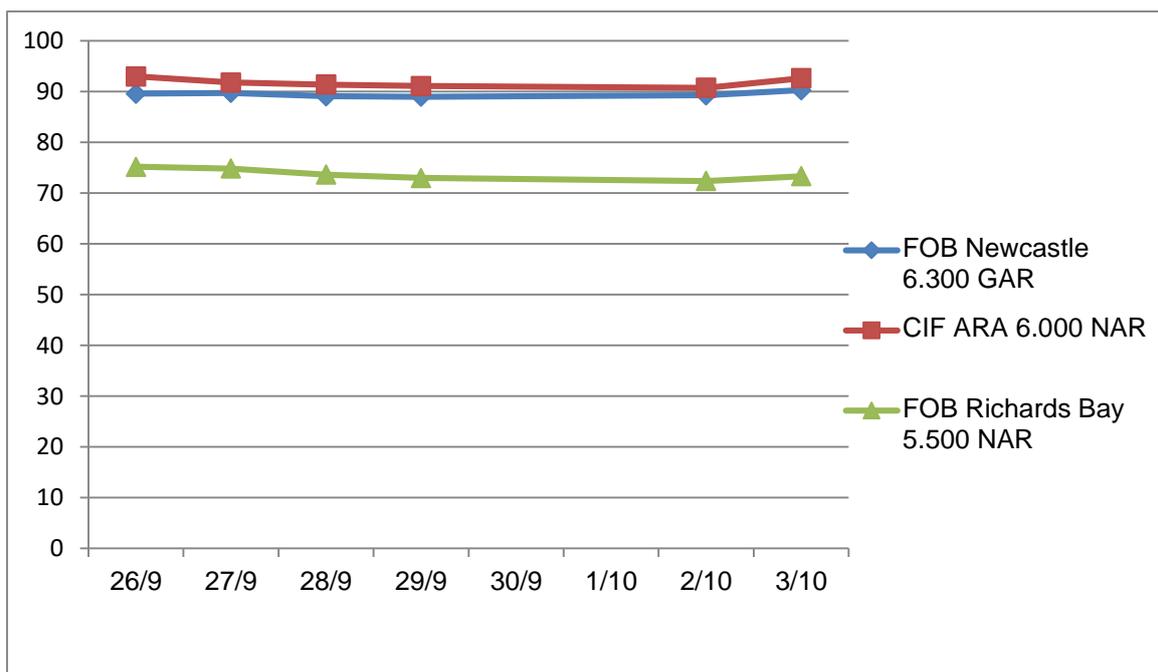
Date 05/10/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	90.30	+1.00	94.80	+1.25
CIF ARA 6,000 NAR	92.65	+1.90	91.80	+1.40
FOB Richards Bay 5,500 NAR	73.35	+0.95	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	66.75	+0.25

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	N/A	N/A	N/A	N/A
PCC7 (CFR South China 4,700 NAR)	N/A	N/A	N/A	N/A
PCC8 (CFR South China 5,500 NAR)	N/A	N/A	N/A	N/A

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 03/10/2017)

NEWS

Sellers in Asian thermal coal market await Indian inquiries, China slows

Indonesian thermal coal sellers expect to see more firm buying inquiries from India this week amid an absence of Chinese buyers due to a week-long holiday, sources said Tuesday. “Normally, prices in September drop, but this year was different; prices spiked,” a Singapore-based trader said. India’s return to the market to replenish stocks after the monsoon had coincided with strong pre-holiday demand from China last month, he said. “Indian bids competed with China’s buying price expectations,” he added. To illustrate this, he said China’s bid price for 3,400 kcal/kg NAR or 3,800 kcal/kg GAR coal was \$36-\$37/mt FOB. But the trader said he sold a Panamax cargo of this grade at \$38-\$38.50/mt FOB to a major Indian end-user last week. This end-user has set its electricity generation rate for the fourth quarter at 90% of installed capacity, the trader said. Amid a surge in Indian power tariffs, a number of private power plants are running at close to full capacity, said an Indonesia-based trader. However, a major Indonesia-based producer source said he has not seen active buying from India yet. “I guess it is difficult for them [Indian buyers] to cope with the constant rise in prices,” he said.

An Indonesia company recently sold October shipments of 3,800 kcal/kg NAR coal with 0.3% sulfur at \$47/mt FOB and 3,400 kcal/kg NAR coal at \$37/mt FOB, two Supramax cargoes each. “Considering the quiet market we felt these numbers were good,” he added. Another Singapore-based source said the lull in the market was also attributable to market participants weighing the trade risk of China’s import restriction policies. Offers for 4,800 kcal/kg NAR coal have fallen by around \$3/mt from \$72-\$73/mt FOB last week, according to the first Singaporebased trader. A Thailand-based trader said he received an offer for an end Octoberloading geared vessel cargo of 4,650 kcal/kg NAR coal at \$69/mt FOB. “But the market is not active. So, if they want to sell, the price will be lower,” he said.

Newcastle thermal coal market

In the Newcastle thermal coal market, prospects drew closer of extensive strikes affecting coal carrier Pacific National in the eastern state of New South Wales, the dominant player in the state’s coal haulage market. Australia’s Rail, Tram and Bus Union confirmed Tuesday that the majority of its members working for Pacific National had voted for work stoppages in pursuit of claims for a new collective employment agreement with the company. The threat of rail strikes was being digested by Newcastle market players, as it has the potential to disrupt shipment schedules for October or November cargoes, sources said. Support for Newcastle thermal coal spot prices has stayed relatively firm even with China closed for a week-long holiday, one source said.

Buying interest for October Capesize cargoes has been heard around \$77-\$78/mt FOB Newcastle, basis 5,500 kcal/kg NAR, sources said. Against a quiet trading backdrop in Asia, there was hints of some progress in talks to decide prices for Japanese term contracts for the year October 2017-September 2018. Market sources said negotiations for the benchmark price were focused on a narrow price range of \$97-\$98/mt FOB Newcastle for 6,322 kcal/kg GAR thermal coal from Australia. Earlier in the talks, one Australian coal supplier was said to have offered thermal coal to its Japanese utility customer at a fixed price of \$105/mt FOB Newcastle for the year starting October 1. GlobalCOAL’s contract for October deliveries of FOB Newcastle 6,000 kcal/kg NAR thermal coal last traded at \$89.25/mt for a 25,000 mt parcel on September 25.

Australia’s Coal of Africa announces sale of Mooiplaats colliery

Australian mining company Coal of Africa Limited (COAL) has entered into a sale of shares and claims agreement with Mooiplaats Coal Holdings Proprietary Limited (MCH) to sell 100% of its shares in Mooiplaats Mining Limited (Mooiplaats), the owners of the Mooiplaats thermal coal colliery, COAL said in a statement Monday. The colliery produces both domestic and export grades of coal and is adjacent to the Camden Power Station operated by state-run utility Eskom. It has 45.1 million mt of minable coal and has been on care and maintenance up for sale since October 1, 2013 due to declining coal prices. MCH is funded by the newly-established Last Mile Fund, created by Africa Rainbow Capital. Its members include several “experienced coal mining executives,” according to the COAL statement. “The sale of the Mooiplaats Colliery is the final step in the company’s balance sheet restructuring strategy setting the course for COAL to become a self-sufficient mid-tier coal mining company,” COAL CEO David Brown said. He said cash generated from the sale would allow COAL to allocate more resources to bringing its flagship Makhado thermal and coking coal mine to optimal production. Prices for prompt South Africa-origin 5,500 kcal/kg NAR thermal coal are currently \$73/mt FOB Richards Bay.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	8.75	+ 0.00
	Queensland	Japan	10.25	+ 0.00
	New South Wales	South Korea	10.60	+ 0.00
Panamax (70,000 tons)	Richards Bay	India West	12.10	+ 0.00
	Kalimantan	India West	8.50	+ 0.00
	Richards Bay	India East	12.50	+ 0.00
	Kalimantan	India East	7.30	+ 0.00
	Australia	China	10.95	+ 0.00
	Australia	India	12.45	+ 0.00

(Source: Platts Coal Trader International – Date 03/10/2017)