



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

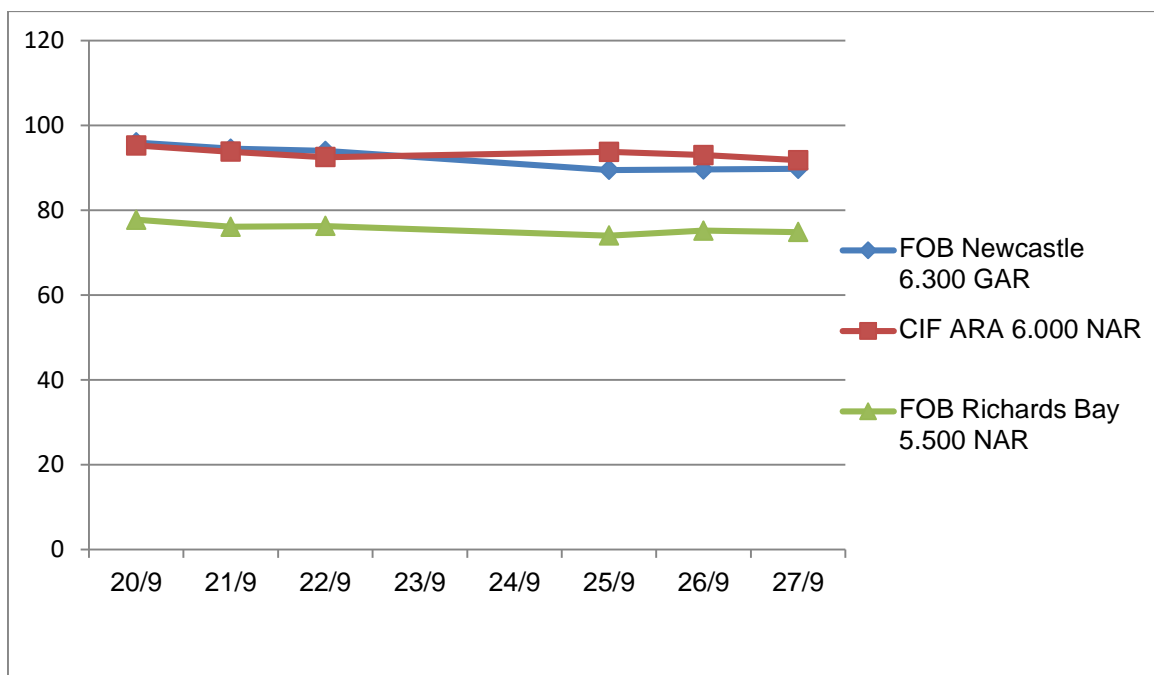
Date 28/09/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	89.75	+0.15	93.45	+0.35
CIF ARA 6,000 NAR	91.80	-1.20	91.00	-1.15
FOB Richards Bay 5,500 NAR	74.85	-0.35	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.00	+1.00
FOB Kalimantan 5,000 GAR	N/A	N/A	67.25	+0.25

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	55.80	+0.00	368.93	+0.53
PCC7 (CFR South China 4,700 NAR)	75.80	+0.15	501.16	+1.71
PCC8 (CFR South China 5,500 NAR)	89.50	+0.50	591.74	+4.15

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 27/09/2017)

NEWS

Australia's got a coal shortage

Now the country that ships more thermal coal overseas than almost any other is scrambling to replenish stockpiles at some power plants after they dwindled following a surge in demand and constrained supply. Power price spikes and gas shortages have already frustrated businesses and homes across the nation and put pressure on the government and generators to prioritize domestic customers over sometimes more lucrative export markets. Coal inventories at Australia's three largest electricity providers -- AGL Energy Ltd., Origin Energy Ltd. and CLP Holdings Ltd.'s EnergyAustralia -- have shrunk over winter as they use more of the fuel to compensate for natural gas shortages. The closure of the Hazelwood coal-fired power plant in Victoria state also put further pressure on the nation's remaining generators to produce more power, eating through their stockpiles at a faster pace.

Against this backdrop, the power producers have struggled to get sufficient supplies as they compete with overseas buyers for lower-quality coal that was once considered too poor to export. Miners in Australia can command higher prices for coal known as high ash in China, South Korea and India. Robin Griffin, a research director at Wood Mackenzie Ltd. in Brisbane estimates miners can probably sell coal to international customers at double the price sold to domestic utilities. Australia exported 116.1 million metric tons of thermal coal during the first seven months this year, compared with 114.4 million in the same period last year, according to government data. However, three of the biggest LNG producers on Wednesday guaranteed to supply more of the fuel to alleviate domestic shortages and lower spiraling prices after Prime Minister Malcolm Turnbull threatened to impose export curbs from their projects.

Coal accounts for 76 percent of Australia's power generation. Stockpiles at AGL's Liddell and Bayswater plants in New South Wales state fell to "historic lows" over winter. EnergyAustralia and Origin have struggled to procure sufficient quantities of the fossil fuel. The Mt Piper power station, which supplies 15 percent of electricity demand in New South Wales, only has stockpiles to operate at "very low production levels" for a few months due to a legal dispute impacting mine supplies, EnergyAustralia said in an emailed statement. Origin said its Eraring power station in the state "ran very hard" to meet demand over winter that created an issue with coal stockpiles. The New South Wales government is working with the Australian Energy Market Operator to ensure there is sufficient fuel supplies this summer while also looking at how it may reduce demand on the power grid during heatwaves.

China Imports North Korean Coal for First Time Since February

China resumed coal imports from North Korea five months after suspending them to comply with a United Nations Security Council resolution over the country's nuclear program. China imported 1.64 million tons of coal from Kim Jong Un's regime in August, the first such shipments since February, according to General Administration of Customs data emailed Tuesday. Shipments in the first eight months of this year totaled 4.31 million tons, a 71 percent decline from the same period in 2016. China's Ministry of Commerce said in February that coal imports from North Korea would be halted from Feb. 19 to Dec. 31 in accordance with the UN resolution, including cargoes at Chinese ports that hadn't completed customs clearance. "I can assure you, that as a permanent member of the Security Council we have always strictly implemented UN Security Council resolutions," said Lu Kang, China's foreign ministry spokesman in a regular briefing. Asked if the import figures were inaccurate, Lu referred questions to GAC.

Yancoal buys further stake in Warkworth coal mine for \$230m

ASX-listed Yancoal Australia has exercised a call option to purchase Mitsubishi Development's 28.9% interest in the Warkworth coal joint venture (JV) for \$230-million. The deal followed Yancoal's \$2.69-billion acquisition of mining major Rio Tinto's Coal & Allied subsidiary, which included a 67.6% stake in the Hunter Valley Operations mine, an 80% stake in the Mount Thorley mine and a 55.6% stake in the Warkworth mine, as well as a 36.5% interest in Port Waratah Coal Services, which owns a coal export terminal at the Port of Newcastle.

Mitsubishi in June accepted the Chinese firm's offer for its 32.4% interest in the Hunter Valley operations JV for \$710-million, and provided Yancoal with call options over its interest in the Warkworth mine. "By exercising the call option, we are strengthening our position within the Hunter Valley and progressing our long-term strategy for continued growth and investment into tier one assets," said Yancoal Australia CEO Reinhold Schmidt. At completion of the transaction, Yancoal would hold 84.5% of the Warkworth JV, which will increase the company's coal production from the integrated Mount Thorley Warkworth operations from 64.1% to 82.9%. The operation's total saleable coal production in 2016 was 12.3-million tonnes. The acquisition of Mitsubishi's Warkworth interest was subject to Foreign Investment Review Board approval, and the waiver of existing pre-emptive rights held by the other minority JV partner. The deal is likely to be completed by March 2018.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	9.15	-0.25
(150,000 tons)	Queensland	Japan	10.65	-0.25
	New South Wales	South Korea	11.00	-0.25
Panamax	Richards Bay	India West	12.50	-0.20
(70,000 tons)	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 27/09/2017)