



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS – FIRST WEEK OF
OCTOBER
 (From 02/10 – 06/10/2017)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 11/09-15/09	Week 18/09-22/09	Week 25/09-29/09	Week 02/10-06/10
PCC 6 (CFR South China 3,800 NAR)	51.95	54.55	55.46	N/A
PCC 7 (CFR South China 4,700 NAR)	70.6	74.1	75.58	N/A
PCC 8 (CFR South China 5,500 NAR)	81.45	87.6	89.10	N/A
FOB Newcastle 6,300 GAR	101.7	95.9	89.39	91.62
CIF ARA 6,000 NAR	93.12	94.31	92.21	92.03
FOB Richards Bay 6,000 NAR	76.47	76.69	74.14	73.55
NEWC (FOB Newcastle 6,000 NAR)	99.44	N/A	N/A	N/A

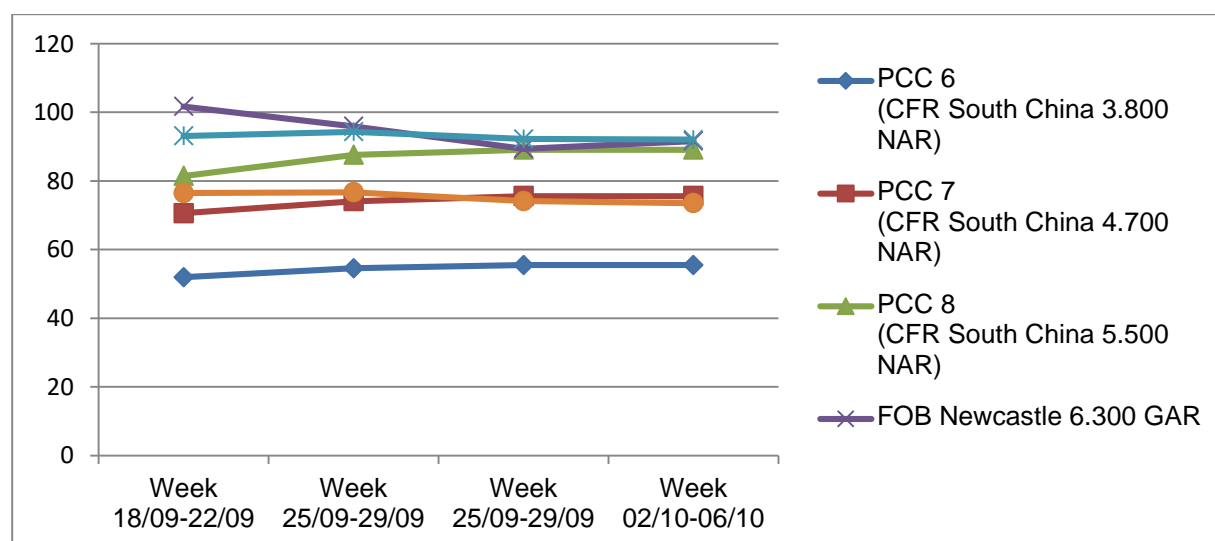


Chart 1: Average coal price week 1st October (2017)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1st - October	02/10	03/10	04/10	05/10	06/10
Capesize (150,000 tons)						
1	Australia – China	8.75	8.75	9.30	9.65	9.65
2	Queensland – Japan	10.25	10.25	10.80	11.15	11.15
3	New South Wales – South Korea	10.60	10.60	11.15	11.50	11.50
Panamax (70,000 tons)						
1	Richards Bay - India West	12.10	12.10	12.10	12.10	12.30
2	Kalimantan - India West	8.50	8.50	8.50	8.60	8.90
3	Richards Bay - India East	12.50	12.50	12.50	12.50	12.70
4	Kalimantan - India East	7.30	7.30	7.30	7.40	7.70
5	Australia - China	10.95	10.95	11.30	11.80	12.40
6	Australia - India	12.45	12.45	13.00	13.35	14.00

(Source: Platts Coal Trader International)

II. NEWS

Turkish August thermal coal imports hit 10-month high

Turkey imported 3.43 million mt of thermal coal in August, the highest figure since November 2016, data from the Turkish Statistical Institute showed Friday.

Destinations	Volume (mt)	On-month %	On-year %	Market share (%)
Colombia	1,721,532	4	77	50
Russia	1,264,866	19	15	37
South Africa	380,219	497	282	11
Other	58,634	33.3	N/A	2
Total	3,425,251	20.8	54	

Colombia and Russia remained the key suppliers, accounting for 87% of all Turkish thermal coal imports in August. Imports from Colombia rose to 1.72 million mt, the highest monthly volume since March. It was also the highest August figure from Colombia since S&P Global Platts began collecting the data in 2014. Imports from Russia reached 1.26 million mt, up 19% on the month and the highest figure since November 2016. It was also the highest August figure since Platts began collecting the data. South Africa exported 380,219 mt to Turkey in August, the highest monthly total since March 2016.

Chinese companies to build 700 coal plants in and outside China

Overall, 1,600 coal plants are planned or under construction in 62 countries, said Urgewald, which uses data from the Global Coal Plant Tracker portal. The new plants would expand the world's coal-fired power capacity by 43 per cent. Citing data gleaned from the world's biggest developers of coal-fired power plants, Urgewald found that of all the new coal generation expected to go online over the next decade, Chinese companies will build nearly half of it. Specifically, that means 700 new coal plants, with most to be built in China, and about a fifth outside the country. The fleet of new coal plants would make it virtually impossible to meet the goals set in the Paris climate accord. Electricity generated from fossil fuels such as coal is the biggest single contributor globally to the rise in carbon emissions, which scientists agree is causing the earth's temperatures to rise. Shanghai Electric Group, one of the country's largest electrical equipment makers, has announced plans to build coal power plants in Egypt, Pakistan

and Iran with a total capacity of 6,285MW – almost 10 times the 660MW of coal power it has planned in China.

The astounding numbers go against the trend that has been happening throughout the year in China, where dangerously high pollution levels have forced the closure of hundreds of coal mines and a curtailment of steel mill output. Examples of China's domestic aversion to coal include: Two days ago Taiyuan, the capital of China's northern province of Shanxi, which is known for its coal production, banned the sale, transport and use of most coal as it tries to cut air pollution. In May Shanxi province decided to suspend or hold back the development of mines until 2020, which effectively will take out of the market about of 120 million tonnes of the fossil fuel. Also in May provincial authorities announced they will close 18 collieries and cut 17 million tonnes of coal capacity by the end of the year. In January Beijing announced it plans to shut down 800 million tonnes of outdated coal capacity by 2020.

Indonesia's Oct HBA thermal coal price jumps 36% on year to \$93.99/mt

Indonesia's Ministry of Energy and Mineral Resources set its October thermal coal reference price, also known as Harga Batubara Acuan or HBA, at a 10-month high of \$93.99/mt, up 2% on the month and 36.1% higher year on year. 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 September, the daily Platts FOB Kalimantan 5,900 kcal/kg GAR coal assessment averaged \$79.56/mt, up from \$75.12/mt in August, while the daily 90-day Platts Newcastle FOB price for coal with a calorific value of 6,300 kcal/kg GAR averaged \$96.87/mt, up from \$95.89/mt in August.

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)