



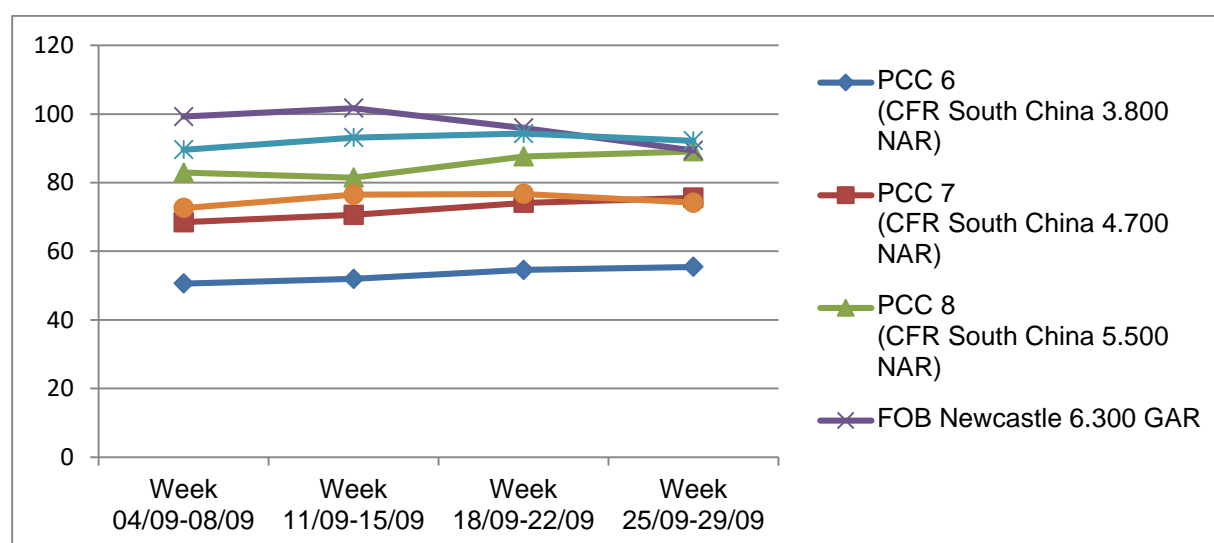
**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**WEEKLY NEWS - FOUR WEEK OF**  
**SEPTEMBER**  
 (From 25/09 – 29/09/2017)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 04/09-08/09	Week 11/09-15/09	Week 18/09-22/09	Week 25/09-29/09
<b>PCC 6</b> (CFR South China 3,800 NAR)	50.58	51.95	54.55	55.46
<b>PCC 7</b> (CFR South China 4,700 NAR)	68.45	70.6	74.1	75.58
<b>PCC 8</b> (CFR South China 5,500 NAR)	82.92	81.45	87.6	89.10
<b>FOB Newcastle 6,300 GAR</b>	99.22	101.7	95.9	89.39
<b>CIF ARA 6,000 NAR</b>	89.59	93.12	94.31	92.21
<b>FOB Richards Bay 6,000 NAR</b>	72.61	76.47	76.69	74.14
<b>NEWC</b> (FOB Newcastle 6,000 NAR)	98.15	99.44	N/A	N/A



*Chart 1: Average coal price week 4<sup>th</sup> September (2017)*

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 3 <sup>rd</sup> - September	25/09	26/09	27/09	28/09	29/09
<b>Capesize (150,000 tons)</b>						
1	Australia – China	9.65	9.40	9.80	9.75	9.90
2	Queensland – Japan	11.15	10.90	11.30	11.25	11.40
3	New South Wales – South Korea	11.50	11.25	11.65	11.60	11.75
<b>Panamax (70,000 tons)</b>						
1	Richards Bay - India West	13.15	13.15	13.05	13.05	12.95
2	Kalimantan - India West	10.20	10.20	10.35	10.25	10.00
3	Richards Bay - India East	13.65	13.65	13.55	13.55	13.45
4	Kalimantan - India East	9.10	9.10	9.10	9.00	8.75
5	Australia - China	13.00	13.00	12.90	12.80	12.70
6	Australia - India	15.25	15.25	15.00	14.65	14.50

(Source: Platts Coal Trader International)

## II. NEWS

### South Africa coal exports rise 44% month on month

South Africa coal exports totaled 6.78 million mt for August, according to South African customs data, rebounding from July's year to date low and the highest August figure since S&P Global Platts began collecting the data in 2014.

Destinations	Volume (mt)	On-month %	On-year %	Market share (%)
India	3,091,799	89	36	45.61
Europe	1,175,565	28	-22	17.34
Pakistan	877,969	34	244	12.95
Turkey	183,440	112	222	2.71
Taiwan	165,000	10	N/A	2.43
South Korea	116,000	-69	8	1.71
Other	773,648			
Total	6,778,628	44.4	17.5	

Exports to key consumer India were the highest since May this year and the highest August figure since Platts records began, with the subcontinent regaining a 46% market share after July saw much more limited volumes due to the monsoon season. European imports rose to the highest levels since December last year, with key terminals in the Netherlands accounting for nearly half of all European imports at 579,292 mt, while imports to Spain rose by nearly 50% to 417,548 mt. Italy rounded out the European imports with 165,200 mt, an increase of 82% from July's total. Pakistan continued to increase its South African imports, rising for the third consecutive month and showing large year on year gains, growing more than twofold. Of the other key markets, exports to Taiwan and Turkey rose month on month, while South Korea imported the lowest volume seen since September 2016.

### Exxaro agrees on 10-year coal transportation deal with Transnet

South African diversified miner, Exxaro Resource, on Tuesday signed a 10-year coal export transportation agreement with the country's state-owned logistics company, Transnet, in a bid to increase coal volumes from Waterberg to Richards Bay Coal Terminal. Over 50 percent of South Africa's remaining reserves lie in the Waterberg coalfields, a 3,500km<sup>2</sup> expanse of Limpopo that

stretches into Botswana and hosts almost 76 billion tonnes of in-situ inferred resources in 11 coal-bearing zones. Exxaro said the agreement with Transnet will allow for the transportation of a total of 7.8 million tonnes of export coal, of which three million tonnes will come from the Waterberg once all the projects are ramped up.

Exxaro chief executive, Mxolisi Mgojo, said : "As such, we will be investing 50 percent of our R20 billion coal capex programme over the next five years in coal in the Waterberg area." Mgojo also said that Transnet had a proven track record in building rail capacity and expanding export rail performance in the Waterberg area and across South Africa.

This agreement comes at a time when the Transnet's Waterberg Programme is in full swing with plans to complete the second phase of the project in March 2019. The first phase in the Waterberg Expansion Programme was completed in 2016 and it included a 1.8km passing loop which enables 100-wagon trains to cross without disrupting other rail operations on the line. The Waterberg upgrade phase two will grow export rail capacity to six million through incremental upgrades of the existing rail networks and yards using additional loops, while maintaining the existing axle load, electrical upgrades and improved train control systems.

### **Coal India exceeds September output target**

State-run Coal India Limited achieved 101% of its targeted coal output at 38.77 million mt in September, the company said in a filing to the Bombay Stock Exchange Tuesday. The production for September was also up 10% compared to the same month a year ago. However, the production for April-September 2017 was 231.87 million mt against the target of 243.30 million mt and showing a marginal growth of close to 1% compared to the corresponding period a year ago. September offtake was 103% of the target at 43.58 million mt and up 15% on year. The offtake for April-September 2017 was 269.02 million mt against the targeted 279.66 million mt. The offtake for the first half of the year was up 8% compared to the corresponding period a year ago. Coal India is India's largest coal producer as it meets around 84% of the country's coal requirement. It aims to produce around 600 million mt coal in the current fiscal year and 1 billion mt/year of coal by 2019-2020.

*(Source: Platts)*