



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

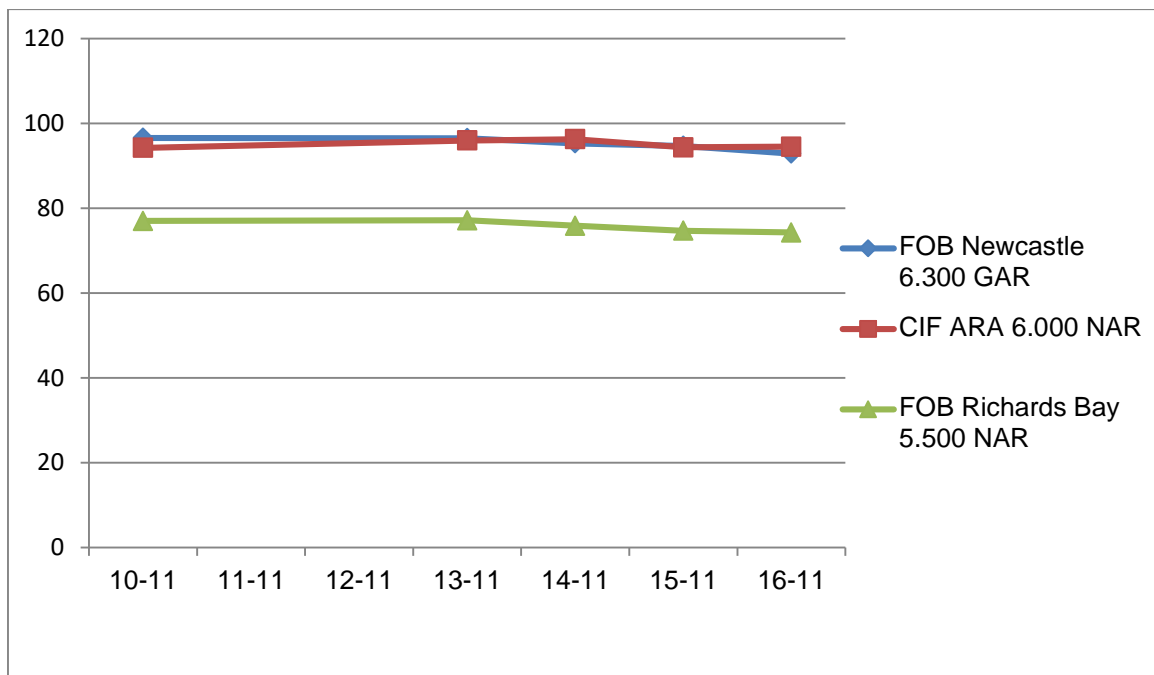
Date 20/11/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	92.90	-1.80	93.20	-2.10
CIF ARA 6,000 NAR	94.50	+0.15	93.20	+0.20
FOB Richards Bay 5,500 NAR	74.30	-0.40	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	81.75	-0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	63.50	-0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	50.65	-0.10	391.37	-0.38
PCC7 (CFR South China 4,700 NAR)	70.50	+0.00	544.74	+0.53
PCC8 (CFR South China 5,500 NAR)	84.50	+0.00	652.92	+0.63

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 16/11/2017)

NEWS

Oldendorff's transshipment barge in Vietnam receives first coal cargo

German shipowner Oldendorff Carriers' transshipment barge Lena currently docked at energy-hungry Vietnam's Ho Chi Minh port received its first coal shipment on Sunday, the major dry bulk shipping company told S&P Global Platts late Wednesday. The coal shipment has come on the 118,532 dwt MV Richard Oldendorff, a baby Capesize vessel, which was co-loaded with metallurgical and thermal coal from the Dalrymple Bay Coal Terminal in east coast Australia. The vessel had departed from the Australian port with an 115,000 mt coal cargo on October 28. The 3,000 dwt geared-transshipment barge, Lena, is moored at the Go Gia anchorage near the southern city of Ho Chi Minh, and it would receive about 75,000 mt of coal from MV Richard Oldendorff. The remaining 40,000 mt of coal will be discharged by the baby Capesize vessel at a north Vietnam port.

The establishment of the floating transfer platform, or FTP, using the transshipment barge is part of an alliance comprising Oldendorff, Welhunt – which is the largest coal importer into Vietnam – and local tugs/coal barges operator Haivanship. The transshipment facility will have an annual capacity of about 6 million mt. The FTP has two cranes, hoppers and conveyor belts, and will be able to transship the coal from large ocean going vessels into shallow draft barges. The Lena arrived in Vietnam late October after previously being positioned in the Caribbean, where it was used to load iron ore and bauxite.

The FTP is capable of discharging and loading all bulk carriers up to and including Newcastlemax vessels in the 210,000 dwt class, at a discharge rate of 25,000 mt/day, according to Oldendorff. The users of the FTP will include industrial facilities in south Vietnam as well as power plants, according to an Oldendorff spokesman. "We are offering an all-inclusive rate for coal, ocean transportation, transshipment and domestic delivery which is very competitive and with low risk," the spokesman told Platts, without divulging details of the transshipment costs to be accrued by the receivers using the FTP. The new facility is expected to ease the challenges faced by Vietnam to some extent, which has shallow ports and inadequate infrastructure, and meet its growing coal demand that has spiked more than 100% annually from 2010 to 2017. Vietnam's coal import volume is expected to swell to 60 million mt by 2025, according to Oldendorff.

Asia thermal coal market optimistic of import restrictions easing

Stable Chinese domestic thermal coal prices and talk of a possible easing in restrictions for cargoes arriving in late December at a few Chinese ports offered market participants respite from the onslaught of bearish news the past weeks, sources said Friday. According to a South China-based trader, while the state of port restrictions in China next month remained unclear, he heard that some cargoes scheduled for arrival after December 20 in Guangxi autonomous region were allowed by customs. A Singapore-based trader said port restrictions in Fujian and Guangdong provinces were not as stringent as last month. Domestic coal prices have been steady in the past two days, according to a China-based source, who pegged the price of 5,500 kcal/kg NAR and 5,000 kcal/kg NAR coal spot cargoes at Yuan 670680/mt FOB and Yuan 570-580/mt FOB, respectively. This source noted that there were more inquiries recently for 5,000 kcal/kg NAR coal as prices of this grade were seen as more attractive than 5,500 kcal/kg NAR coal on a calorific value basis. He added that power usage level was showing signs of increasing as temperatures in China fall. Price direction in the market mostly depended on the weather in China, he noted.

Australian coal less liquid, Indonesian coal bid lower

A wide bid-offer gap for Australian 5,500 kcal/kg NAR had seen liquidity for this grade dry up. Miners were heard offering at \$78/mt FOB but bids were at \$73/mt FOB. A China-based trader pegged the fair market value of Australian 5,500 kcal/kg NAR coal at \$73-\$74/mt FOB or around \$84/mt CFR South China. He added a Capesize shipment of Australian 6,000 kcal/kg NAR coal with low volatile matter for loading in December from Port Kembla reportedly traded last week at \$78/mt FOB, which on a pro-rata adjustment would translate to around \$72/mt FOB basis 5,500 kcal/kg NAR.

Meanwhile, Indonesian coal prices were still weighed down by weak buying sentiment. A second China-based trader said \$43.50/mt FOB for December arrival geared shipment of 3,800 kcal/kg NAR was viable now, adding he was bidding at this level. Some bids were heard at below \$43/mt FOB, according to a second Singapore-based trader. He said the most recent Chinese utility tender saw 3,800 kcal/kg NAR coal awarded at around \$43/mt FOB, so buyers were trying to procure below this price. Meanwhile, an Indonesia-based trader said prices of mid-CV coal were “all over the place,” adding there were all sorts of qualities with prices ranging from \$55-\$63/mt FOB. A Hong Kong-based trader said the Asian thermal coal market has been erratic or unpredictable this year, not because of swings in supply and demand fundamentals, but due to the Chinese policies.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	9.45	+0.05
	Queensland	Japan	11.15	+0.05
	New South Wales	South Korea	11.50	+0.05
Panamax (70,000 tons)	Richards Bay	India West	12.20	-0.20
	Kalimantan	India West	8.10	-0.10
	Richards Bay	India East	12.40	-0.20
	Kalimantan	India East	6.80	-0.10
	Australia	China	10.95	+0.00
	Australia	India	12.50	+0.00

(Source: Platts Coal Trader International – Date 16/11/2017)