



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
WEEKLY NEWS – THIRD WEEK OF
NOVEMBER
 (From 13/11 – 17/11/2017)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

| Price index | Week 23/10-27/10 | Week 30/10-03/11 | Week 06/11-10/11 | Week 13/11-17/11 |
|---|---------------------|---------------------|---------------------|---------------------|
| PCC 6 (CFR South China 3,800 NAR) | 54.77 | 53.93 | 52.74 | 50.94 |
| PCC 7 (CFR South China 4,700 NAR) | 75.06 | 74.09 | 73.06 | 71.00 |
| PCC 8 (CFR South China 5,500 NAR) | 88.67 | 88.32 | 87.46 | 84.70 |
| FOB Newcastle 6,300 GAR | 97.63 | 99.54 | 97.26 | 94.18 |
| CIF ARA 6,000 NAR | 92.1 | 95.34 | 95.03 | 94.86 |
| FOB Richards Bay 6,000 NAR | 74.84 | 77.65 | 77.01 | 75.05 |
| NEWC (FOB Newcastle 6,000 NAR) | 97.46 | 99.11 | 98.99 | 96.32 |

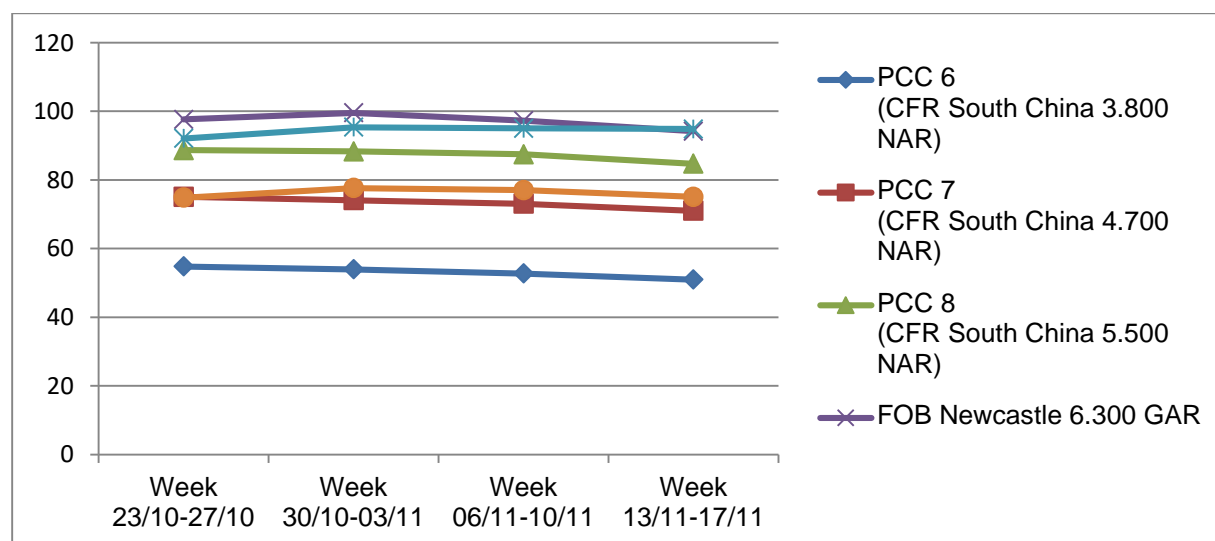


Chart 1: Average coal price week 3rd November (2017)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

| | Week 3 rd - November | 13/11 | 14/11 | 15/11 | 16/11 | 17/11 |
|--------------------------------|---------------------------------|-------|-------|-------|-------|-------|
| Capesize (150,000 tons) | | | | | | |
| 1 | Australia – China | 10.00 | 9.60 | 9.40 | 9.45 | 9.70 |
| 2 | Queensland – Japan | 11.70 | 11.30 | 11.10 | 11.15 | 11.40 |
| 3 | New South Wales – South Korea | 12.05 | 11.65 | 11.45 | 11.50 | 11.75 |
| Panamax (70,000 tons) | | | | | | |
| 1 | Richards Bay - India West | 12.45 | 12.40 | 12.40 | 12.20 | 12.20 |
| 2 | Kalimantan - India West | 8.40 | 8.35 | 8.20 | 8.10 | 8.10 |
| 3 | Richards Bay - India East | 12.65 | 12.60 | 12.60 | 12.40 | 12.40 |
| 4 | Kalimantan - India East | 7.00 | 6.95 | 6.90 | 6.80 | 6.80 |
| 5 | Australia - China | 11.10 | 10.95 | 10.95 | 10.95 | 10.90 |
| 6 | Australia - India | 13.00 | 12.50 | 12.50 | 12.50 | 12.30 |

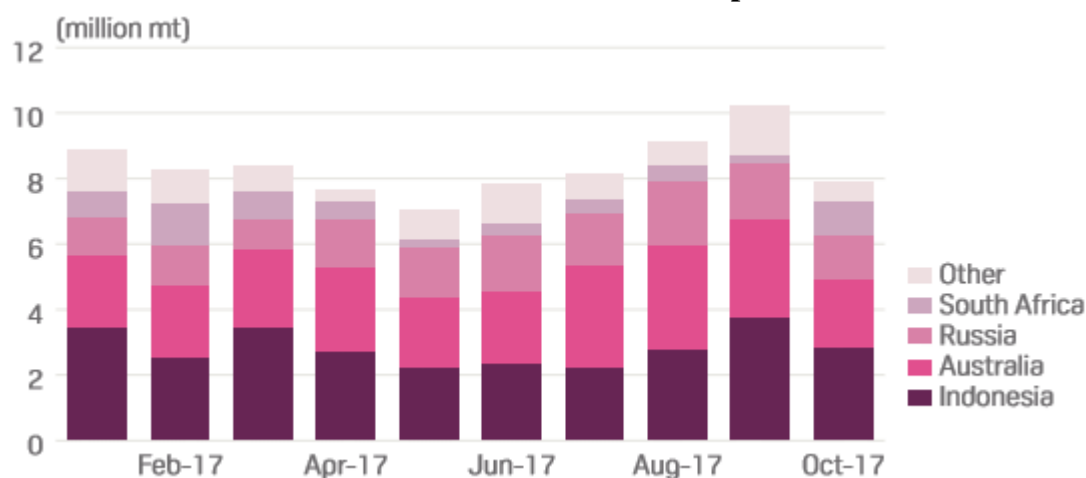
(Source: Platts Coal Trader International)

II. NEWS

South Korea October thermal coal imports fall on month

South Korea thermal coal import volumes stood at 7.93 million mt October, down 29% on month but up 18% on year. The year-to-date import volume was at 91.6 million mt, up 22% on the year.

South Korea thermal coal import



(Source: Platts)

Indonesia remained the largest source of material, at 2.8 million mt imported, but was down 38% on month. Imports from South Africa saw the largest growth in October, rising 289% on month to 1.02 million mt, the highest volume since February. Imports from Colombia fell 80% on month to 76,738 mt, the lowest value since March when no volumes were imported. US origin material was at its highest level year to date, at 440,272 mt, up from the September volume of 117,308 mt. Imports from Russia were down 26% on month at 1.37 million mt, the lowest volume since March. Volumes from Australia to South Korea were also down in October, with a volume of 2.08 million mt which was down 31% on month.

New Hope increases output and sales

Coal miner New Hope has reported an increase in production and sales during the quarter ended October, as weather conditions in New South Wales improved. Total saleable coal production during the three months under review reached 2.37-million tonnes, up from the 2.24-million

tonnes reported in the previous corresponding period, while coal sales increased from 1.85-million tonnes to 2.14-million tonnes. Revenue for the quarter was up by more than 56%, compared with the previous corresponding period, to A\$238.6-million, while earnings before interest, taxes, depreciation and amortisation were also up by 147.3%, to A\$99-million. New Hope is currently working to get the Stage 3 expansion of its New Acland mine approved, arguing that it could deliver about A\$7-billion in additional economic activity in Queensland. The proposed New Acland Stage 3 project will expand the mine's yearly output from 4.8-million tonnes to 7.5-million tonnes and will extend the operation's life beyond the current end-date of 2017/18.

China players cautious on port restriction in Asia thermal coal market

Seaborne prices for China continued to fall in Asia trade, while Indian buyers were looking to pick up discarded spotcargoes floating in the market, market sources said Monday. Port restrictions in China continued to hang heavily on the seaborne market, and were hindering deals from being concluded. Another China-based trader said he was cautious about the talks of "easing" restrictions at ports in China's Guangxi province. For a cargo that arrives in the province after December 20, the port would allow it to discharge, but custom clearance can only occur after January 1. "I don't take this as "easing." The source went on to describe the situation as "too confusing." He noted China's policy next year remains unclear, but "for sure, the import policy will be tougher than this year."

Offer prices for Australian 5,500 kcal/kg NAR coal were at \$78/mt FOB Newcastle, "but no one is buying at that price," a trader said. According to a South China-based trader, port restrictions in Zhejiang province were still in force. "Utilities are trying to finalize their long-term contracts for next year, and do not have a strong initiative to book high-priced cargoes now," he said.

Domestic 5,500 kcal/kg NAR coal was trading steady at Yuan 670/mt FOB, and at Yuan 580/mt for 5,000 kcal/kg NAR cargoes, sources said. Chinese traders were hoping to gain an insight into the market's future direction by attending a coal gathering this week, sources said. A Singapore-based trader expects Indian buying to pick up again soon, as the price of 3,800 kcal/kg NAR or 4,200 kcal/kg GAR coal has fallen below \$45/mt FOB. In three weeks to a month, the price discount for South African 4,800 kcal/kg NAR coal to the 6,000 kcal/kg NAR grade had fallen from \$18/mt to \$14/mt, and offers were now at minus \$13.50/mt, "but there are no cargoes," he said.

(Source: Platts)