



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

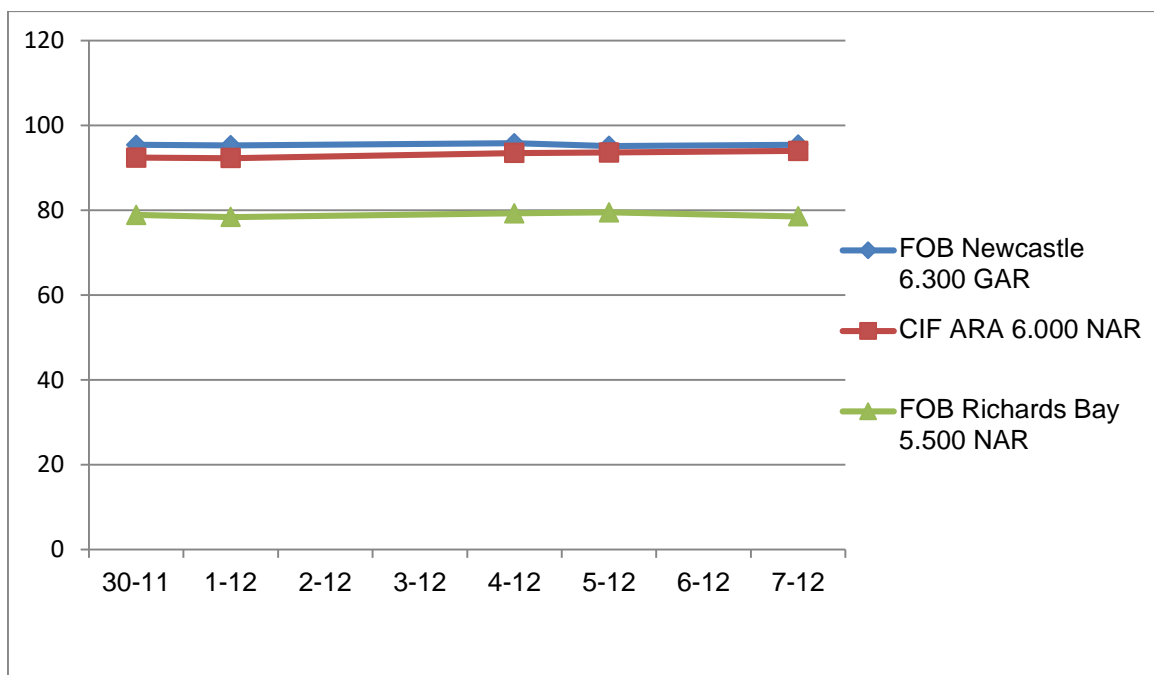
Date 11/12/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	95.45	+0.30	98.40	+0.30
CIF ARA 6,000 NAR	94.00	+0.50	94.10	+0.60
FOB Richards Bay 5,500 NAR	78.55	-0.10	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.75	-0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	65.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	53.10	+0.10	409.37	+0.83
PCC7 (CFR South China 4,700 NAR)	72.60	+0.00	559.70	+0.08
PCC8 (CFR South China 5,500 NAR)	85.30	+0.10	657.61	+0.87

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 07/12/2017)

NEWS

South African Richards Bay coal terminal vessel delays ease on weather

S&P Global Platts cFlow vessel tracking software showed 27 ships were delayed outside South Africa's Richards Bay Coal Terminal Wednesday, down from 41 last week. Market sources attributed the decrease to the resumption of normal operations after adverse weather conditions prevented many ships from moving in recent weeks, but high swells were still causing intermittent delays Wednesday morning. Twelve of the ships were originally expected to arrive at the terminal between October 24 and November 28, with the other 15 forecast to arrive within the last week.

The Yasa Gulten 55,953 mt Supramax was scheduled to arrive at the terminal on October 24 and was still queuing Wednesday, according to the cFlow data. Seventeen of the vessels are returning from India, four from Kenya, two from Sri Lanka, and one vessel each from Pakistan, Bangladesh, Singapore, and Malaysia. Seven ships were stationed at loading berths. The average deadweight tonnage of the delayed ships was 70,792 mt. Market sources estimate there were around 5 million mt of coal in stock at RBCT Wednesday.

The delays were keeping spot trading thin as sellers were keen to avoid any demurrage fees. Sources the delays were not having much impact on pricing as estimates put roughly 2 million-3 million mt of coal exported the last few weeks which was preventing any major supply tightness despite the delays. A January-loading FOB Richards Bay 6,000 kcal/kg NAR cargo last traded November 29 via globalCOAL at \$95/mt, the highest deal since November 11 2016, and Platts FOB Richards Bay 5,500 kcal/kg NAR spot price has risen to a year to date high of \$79.50/mt on the most recent assessment Tuesday, up from \$77.30/mt the previous month. Platts dry bulk Panamax spot freight rate from Richards Bay-West Coast India was \$12.25/mt Wednesday flat week on week, while the Capesize Richards Bay-Rotterdam spot freight rate rose to \$12.25/mt from \$11.15/mt a week earlier.

'Good times' for US coal exports to continue 2018, Xcoal president says

The strength of the U.S. coal export market should continue through the first half of next year, according to Xcoal Energy & Resources President Jack Porco, due in part to the country's flexible role in the Atlantic Basin. Providing the keynote speech Dec. 5 at the 16th annual American Coal Council's Coal Trading Conference in New York City, Porco offered a "rose-colored" near-term outlook. He said strong demand for steel would ensure a bigger appetite for coking coal through much of 2018, although he is optimistic about thermal coal as well. Even with an expected dip in activity in the second half, he asserted that the export market would provide the strongest opportunity for growth for U.S. coal producers, especially as domestic demand continues to slide.

Those hoping to make the most of the opportunities, he said, will need to meet new industry demands in the coming year, including greater interest in premium coals and the ability to cope with greater overall volatility. He attributed the recent strength of the U.S. export market to the industry's role as a "key swing supplier" in the Atlantic Basin, with the infrastructure and flexibility to provide "quick response time to changing market conditions."

Porco, whose company has seen its own export share increase steadily in recent years, said 2017 marked a significant recovery in the export market for U.S. coal producers, but one that began as early as July 2016. He pointed to a series of market factors to explain the recovery, including strong economic growth in Europe and Brazil. Despite a broader trend away from coal among European Union countries, where demand peaked in 2012, according to Porco, U.S. producers have continued to find some opportunities for exports thanks to supply issues facing France and Germany. However, unless the U.S. can help develop new markets in Eastern European countries like Ukraine and Poland, demand in the region could continue to decline, limiting export options in the future.

Japan interest seen for Australian cargoes in Asia thermal coal market

Japanese end-users took over from Chinese traders and importers as the most active participants in the Australian thermal coal market, sources said Wednesday. Several tenders from Japanese general industry end-users were seen in the Newcastle market for 6,000 kcal/kg NAR thermal coal for

delivery over January-March, sources said. A trade was heard last Friday on global COAL at \$98/mt FOB Newcastle for a January-loading 25,000 mt parcel of 6,000 NAR coal.

This is despite the protracted industrial dispute at Australian coal producer Glencore's mines in the Hunter Valley coming to an end, according to an announcement from the company and the workers' union on Monday. Australian market participants are, however, still concerned about possible strikes by the union representing coal train drivers employed by Pacific National in New South Wales. The two sides met at Australia's employment relations agency, the Fair Work Commission, on Monday but talks are still to make any progress after five weeks. "Rail, Tram and Bus Union delegates have now proposed one further meeting with the company in the hope that common sense will prevail and agreement can be reached," RTBU New South Wales Secretary Alex Claassens said. Meanwhile, the trader said Chinese buyers were not so active in the spot market for Newcastle 5,500 kcal/kg NAR thermal coal.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	11.55	-0.10
	Queensland	Japan	13.10	-0.10
	New South Wales	South Korea	13.45	-0.10
Panamax (70,000 tons)	Richards Bay	India West	12.25	+0.00
	Kalimantan	India West	9.00	+0.30
	Richards Bay	India East	12.60	+0.00
	Kalimantan	India East	7.60	+0.30
	Australia	China	12.05	+0.15
	Australia	India	13.45	+0.05

Unit: USD/ton

(Source: Platts Coal Trader International – Date 07/12/2017)