



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

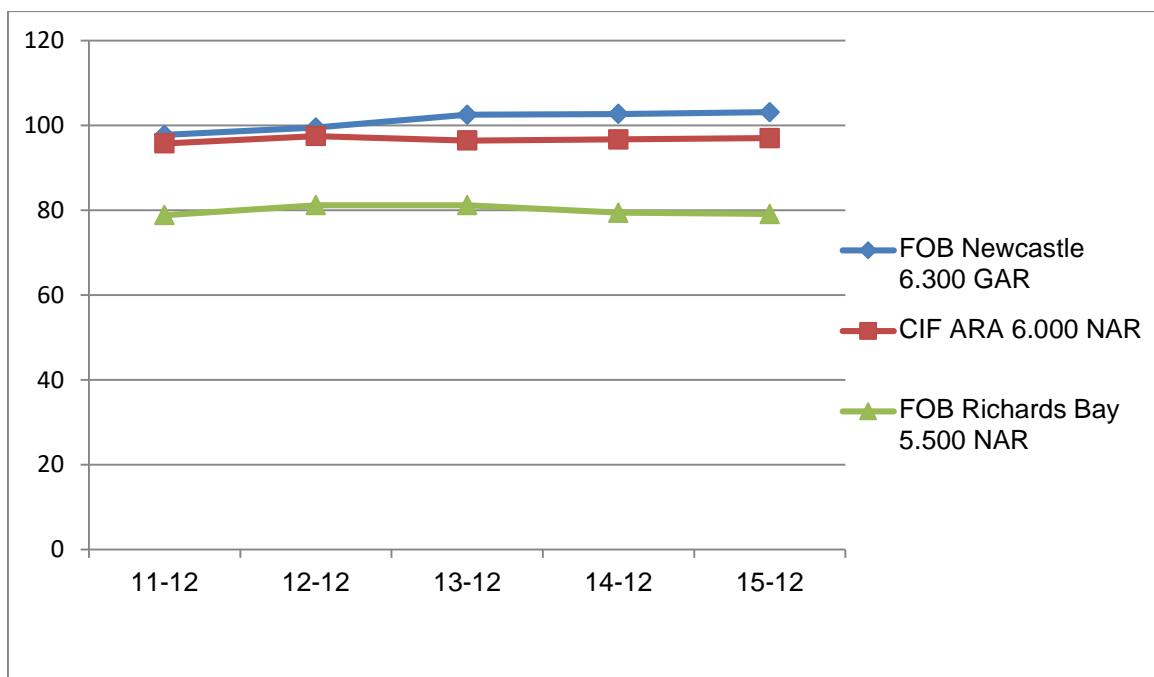
Date 18/12/2017

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	103.10	+0.40	104.80	+0.80
CIF ARA 6,000 NAR	97.00	+0.30	96.50	+1.45
FOB Richards Bay 5,500 NAR	79.10	-0.30	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.85	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	66.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.45	+0.00	419.40	+0.11
PCC7 (CFR South China 4,700 NAR)	74.10	+0.00	570.75	+0.14
PCC8 (CFR South China 5,500 NAR)	86.00	+0.00	662.41	+0.15

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2017



(Source: Platts Coal Trader International – Date 15/12/2017)

NEWS

Taiwan Oct thermal coal imports dip, origin mix diversifies

Taiwan's imports of thermal coal in October dipped slightly on the month although the island continues to diversify its supply mix with increased tons from South Africa, the US and Colombia, according to customs data released Friday. Total imports for October fell by 19% on the year and 3% on the month to a four-month low of 5.63 million mt, although imports for the first ten months of the year rose 7% on the year to 58.9 million mt.

The strong rally in seaborne Asian pricing this year — driven mainly by increased Chinese demand — has incentivized Taiwanese buyers to diversify their mix of coal this year by purchasing tons from nontraditional suppliers despite an uptrend in dry bulk freight rates. Taiwan imported over 2.5 million mt of South African thermal coal in the first ten months of 2017, compared to just 1.15 million mt for the whole of 2016. Shipments of US thermal coal to Taiwan over the same ten-month period total 769,089 mt, compared to zero tons last year. Back in September, state utility Taipower purchased a Panamax shipment of October-delivery coal from US producer Cloud Peak Energy via a tender for minimum 4,800 kcal/kg GAR material. Colombian imports into Taiwan for the 10-month period have reached over 600,000 mt, breaking a dry run stretching back to September 2012 when the trade flow last occurred. Australia maintained its position as the largest coal shipper to Taiwan, sending 2.73 million mt during October, down 5% on the month and 31% lower on the year.

Anti-pollution protests held in Taichung and Kaohsiung

Thousands marched in anti-pollution parades in Taichung and Kaohsiung yesterday calling for the government to take measures to reduce Taiwan's reliance on coal for power production and to increase the penalties on polluters. The Taichung protesters, which reached 5,000 demanded Taichung's coal-fired power plant, one of the largest in the world, reduce its use of coal by 20 percent by Jan. 2018, and continue to reduce its coal usage by 10 percent every subsequent year, with the end goal of switching to natural gas by 2025. It also called for a 20 percent reduction of emissions by the top 30 stationary pollution sources by the end of 2018 and add the current air quality status to the "Taiwan Air Quality Monitoring Network" at once.

Meanwhile, in Kaohsiung, a protest which drew 3,000 participants. The protesters had four primary demands: increase fines for air pollution, reduce air pollution by the state-run companies China Steel, CPC, and Taipower by 50 percent, ban the use of bituminous coal, and to call for the tightening of current air pollution and environmental impact assessment laws, reported Liberty Times.

Renowned ecologist Chen Yueh-fong told United Daily News that although air quality in Taiwan has steadily deteriorated in Taiwan since the 1990s, the government has failed to make key changes to environmental policy and not a single factory has been shut down for violating pollution regulations. He said the government should stop placing priority on the keeping costs low for business at the expense of the environment. As for the government's response, EPA head Lee Ying-yuan attended the rally in Kaohsiung and agreed to sign a petition that stated that the government would "guarantee the people's right to breathe, have zero tolerance for air pollution and be committed to solve problems, reported CNA." Meanwhile, Presidential Office spokesperson Sidney Lin said that the government has plans in place to control all sources of pollution and is willing to cooperate with all sectors to improve air quality.

Ukraine Jan-Nov coal output down 13.6% on year, imports up 22.1%

Ukraine's coal output dropped 13.6% year-on-year to 31.96 million mt in January-November from 37.01 million mt a year earlier, the energy and coal industry ministry reported Thursday, citing preliminary data. Thermal coal production fell 12.1% to 25.76 million mt in the first 11 months from 29.31 million mt, while coking coal output dropped 19.2% to 6.21 million mt from 7.69 million mt.

Ukraine's coal production has been disrupted since June 2014 by an armed conflict with pro-Russian rebels in Donetsk and Luhansk, the country's two key coal producing regions. The situation was exacerbated in February this year when rebels completely shut down supplies of coal to Ukraine, diverting them to Russia. Ukraine reacted by scrambling to increase coal imports to make sure the country has enough coal in stocks to survive the winter.

In January through November, Ukraine imported 17.38 million mt of coal worth \$2.43 billion, including coking coal, thermal coal and anthracite, up 22.1% from 14.24 million mt worth \$1.29 billion a year earlier, according to the state statistics service. Over the period, Ukraine received 56.4% of its coal imports from Russia, 24.8% from the United States, 6.2% from Canada and 12.6% the from other countries. State-owned coal mines extracted 4.43 million mt of coal in JanNov, down 16% year-on-year. Ukraine's largest producer of coal, DTEK Energo raised output of thermal coal 8.9% year-on-year to 20.9 million mt in Jan-Nov from 19.2 million mt in the same period a year ago, the company said in a statement. In 2016, Ukraine produced 40.86 million mt of coal, up from 39.74 million mt in 2015.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
				<i>Unit: USD/ton</i>
Capesize	Australia	China	11.75	+0.20
(150,000 tons)	Queensland	Japan	13.30	+0.20
	New South Wales	South Korea	13.65	+0.20
Panamax	Richards Bay	India West	12.45	+0.05
(70,000 tons)	Kalimantan	India West	9.25	-0.10
	Richards Bay	India East	12.80	+0.05
	Kalimantan	India East	7.75	-0.10
	Australia	China	12.00	-0.10
	Australia	India	13.70	+0.00

(Source: Platts Coal Trader International – Date 15/12/2017)