



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

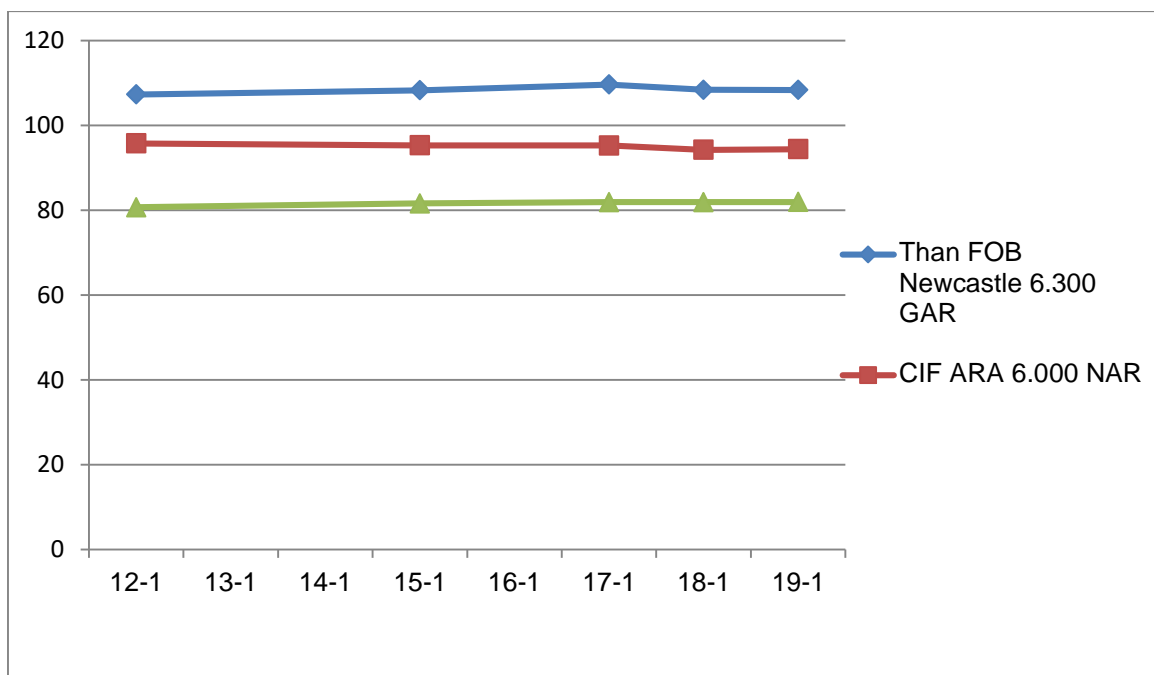
Date 23/01/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	108.35	-0.05	107.70	+0.30
CIF ARA 6,000 NAR	94.40	+0.15	94.00	+0.40
FOB Richards Bay 5,500 NAR	81.95	+0.05	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	86.20	+0.20
FOB Kalimantan 5,000 GAR	N/A	N/A	69.30	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	56.00	-0.20	417.85	-3.01
PCC7 (CFR South China 4,700 NAR)	76.50	+0.00	570.82	-2.05
PCC8 (CFR South China 5,500 NAR)	92.00	+0.20	686.47	-0.98

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 19/01/2018)

NEWS

NE Asia thermal coal buyers look to Russian cargoes

Merger and acquisition activity in Australia's thermal coal industry and elevated prices for Newcastle 6,000 kcal/kg NAR cargoes have spurred some Asia-based buyers, including in Japan, to diversify into alternative supply origins, market sources said Friday. They particularly noted an increase in demand for Russian thermal coal in the Asia-Pacific region. It coincides with industry consolidation in Australia, which has led to the concentration of seaborne supply into fewer hands. Russian 6,000 kcal/kg NAR thermal coal for shipment from Russia's eastern seaboard is trading this week at around \$105/mt FOB Vostochny, according to market sources. Equivalent calorific value Australian thermal coal for February delivery traded this week at \$108.25/mt FOB Newcastle, on globalCOAL. Pacific coast-shipped Russian thermal coal has a shorter sailing distance to markets in Northeast Asia compared to Australian cargoes. There was a fixture Friday for a 140,000 mt Capesize vessel at \$3.75/mt to sail from the Russian Pacific port of Vostochny in mid February to Dangjin in South Korea. This indicates a delivered Northeast Asia price for the 6,000 kcal/kg NAR grade of Russian thermal coal of about \$108.75/mt CFR Korea for February delivery, according to S&P Global Platts calculations. In comparison, the delivered price for Australian 6,000 kcal/kg NAR thermal coal at ports in Japan is currently at \$120/mt CFR, including Panamax vessel freight of about \$12/mt, according to Platts calculations.

Meanwhile, Platts' Northeast Asia Thermal coal index reached another high Friday at \$104.75/mt CFR Japan, basis 5,750 kcal/kg NAR, on higher FOB prices for 5,500 kcal/kg NAR thermal coal from Australia. In the seaborne market for China, February shipments of Newcastle 5,500 kcal/kg NAR thermal coal were heard bid at \$83/mt FOB to offers at \$86/mt, market sources said. Delivered 5,500 kcal/kg NAR prices for the South China market were trading at around \$92/mt CFR basis. A trader in northern China said the demand and supply in the domestic coal market appeared balanced, with prices for the 5,500 kcal/kg NAR grade heard at Yuan 745/mt FOB Qinhuangdao. Domestic 5,000 kcal/kg NAR thermal coal was trading at Yuan 665/ mt FOB Qinghuangdao, he added. A South China-based trader said Indonesian 4,800 kcal/kg NAR thermal coal had traded this week at \$73/mt FOB Kalimantan in gearless-vessel cargoes, and some 5,200 kcal/kg NAR coal had traded at \$82/mt.

First production from Australian Wallarah 2 thermal coal project planned for 2021

First production from the 5 million mt/year Wallarah 2 thermal coal project in Australia's New South Wales is expected in 2021, Wyong Coal general manager Peter Allonby told S&P Global Platts via email Monday. Construction on the project, which was granted consent by the NSW Planning Assessment Commission last week, is envisaged to commence next year with coal development beginning in 2021 and longwall production in 2022, Allonby said. Wyong Coal manages the project on behalf of a joint venture comprising Kores Australia (82.25%), Sojitz Coal Resources (5%), Kyungdong Australia (4.25%), SK Networks Resources Australia (Wyong) (4.25%) and SK Networks Resources (4.25%). "Longwall mining methods are proposed to extract up to 5 million mt of run-of-mine (ROM) thermal coal per year for up to 28 years," Allonby said. "Product coal would be transported to the Port of Newcastle by rail or to local domestic power stations," he added. The Wallarah 2 proposal was first submitted to the planning commission in 2012 and the mine has since been a contentious issue due to concerns about its impact to water resources. "The project will now move to the next stage of evaluating the approval details, scoping additional approval and licensing requirements, detailed design work and completing a final feasibility study," Allonby said.

Powder River Basin coal production up 7.2% in 2017

Powder River Basin coal production totaled 334.4 million st in 2017, up 7.2% from 2016, according to recently posted US Mine Safety and Health Administration data. Production in 2016 declined dramatically, dropping more than 21% as cheap natural gas fomented a considerable amount of coal-to-gas switching. With higher gas prices in 2017, coal production increased, though still remains well below its peak of 490 million st in 2008. The PRB 8,800 Btu/lb mines -- Cloud Peak

Energy's Antelope mine, Arch Coal's Black Thunder mine and Peabody Energy's North Antelope/Rochelle mine -- produced 200.6 million st in 2017, up 5.3% from 2016. Production from PRB 8,400 Btu/lb mines totaled 106.6 million st, up 8.8% from 2016. The basin's biggest mine remains Peabody's North Antelope/Rochelle mine, which produced 101.6 million st, up 9.4% from 2016. The annual total was roughly 13.2% of all the coal mined in the US in 2017.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
				<i>Unit: USD/ton</i>
Capesize	Australia	China	6.80	+0.00
(150,000 tons)	Queensland	Japan	8.35	+0.00
	New South Wales	South Korea	8.85	+0.00
Panamax	Richards Bay	India West	12.40	+0.15
(70,000 tons)	Kalimantan	India West	8.30	+0.00
	Richards Bay	India East	12.90	+0.10
	Kalimantan	India East	7.00	+0.10
	Australia	China	11.50	+0.10
	Australia	India	12.80	+0.15

(Source: Platts Coal Trader International – Date 19/01/2018)