



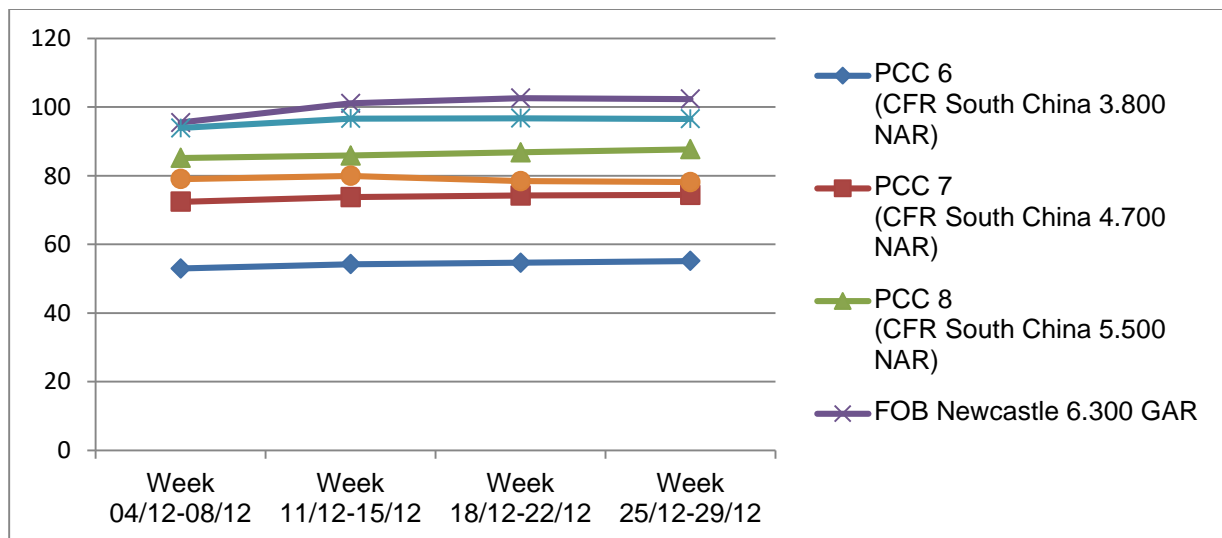
**PETROVIETNAM OIL & GAS GROUP**  
**PETROVIETNAM POWER CORPORATION**  
**MONTHLY NEWS - DECEMBER**  
 (From 01/12 – 31/12/2017)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 04/12-08/12	Week 11/12-15/12	Week 18/12-22/12	Week 25/12-29/12
<b>PCC 6</b> (CFR South China 3,800 NAR)	52.94	54.22	54.66	55.13
<b>PCC 7</b> (CFR South China 4,700 NAR)	72.42	73.76	74.24	74.40
<b>PCC 8</b> (CFR South China 5,500 NAR)	85.18	85.88	86.82	87.70
<b>FOB Newcastle 6,300 GAR</b>	95.5	101.11	102.65	102.33
<b>CIF ARA 6,000 NAR</b>	93.92	96.68	96.76	96.55
<b>FOB Richards Bay 6,000 NAR</b>	79.04	79.95	78.44	78.15
<b>NEWC</b> (FOB Newcastle 6,000 NAR)	96.8	100.71	104.14	103.91



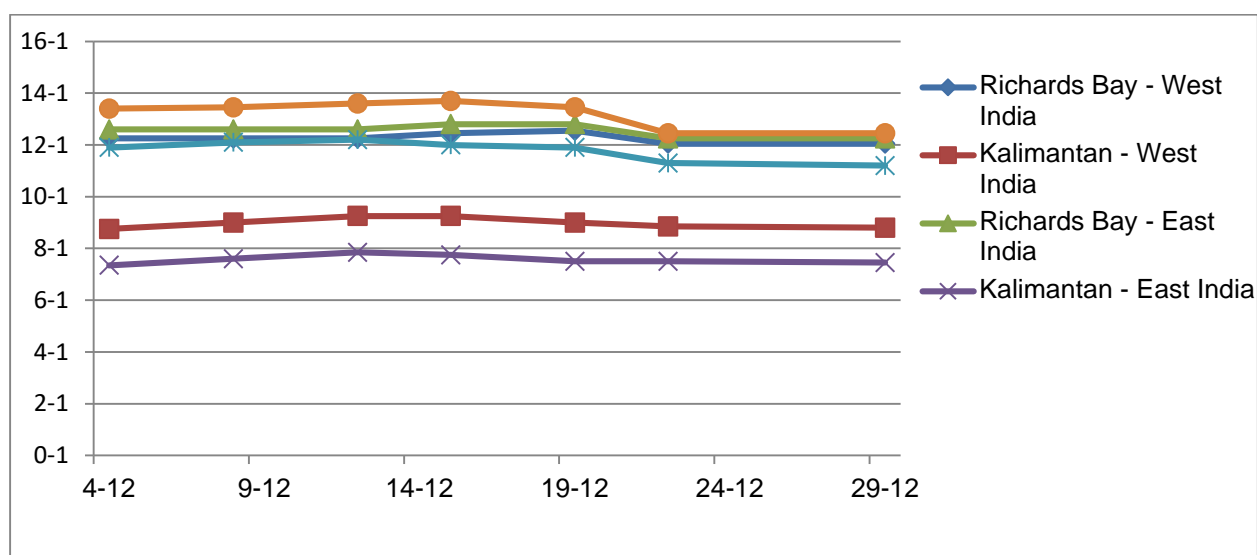
**Chart 1: Average coal price December (2017)**

*(Source: Platts Coal Trader International)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Month - December	04/12	08/12	12/12	15/12	19/12	22/12	29/12
<b>Capesize (150,000 tons)</b>								
1	Australia – China	12.05	11.55	11.95	11.75	11.30	9.95	6.55
2	Queensland – Japan	13.60	13.10	13.50	13.30	12.85	11.50	7.60
3	New South Wales – South Korea	13.95	13.45	13.85	13.65	13.20	11.85	7.85
<b>Panamax (70,000 tons)</b>								
1	Richards Bay - India West	12.25	12.25	12.25	12.45	12.55	12.05	12.05
2	Kalimantan - India West	8.75	9.00	9.25	9.25	9.00	8.85	8.80
3	Richards Bay - India East	12.60	12.60	12.60	12.80	12.80	12.25	12.25
4	Kalimantan - India East	7.35	7.60	7.85	7.75	7.50	7.50	7.45
5	Australia - China	11.90	12.10	12.20	12.00	11.90	11.30	11.20
6	Australia - India	13.40	13.45	13.60	13.70	13.45	12.45	12.45



**Chart 2: International spot dry bulk freight in December**

(Source: Platts Coal Trader International)

## II. NEWS

### China's December coal imports down 15.28% on year to 22.74 million mt

China imported 22.74 million mt of coal in December, including lignite, thermal and metallurgical material, up 3.13 % from November but down 15.28% year on year, according to preliminary data released Friday by China's General Administration of Customs. China imported 22.05 million mt of coal in November this year. In December 2016, the country had imported 26.84 million mt of coal. January-December total imports rose 6.1% year on year to 270.90 million mt. The country exported 0.7 million mt of coal in December, down 7.9% year on year, the data showed. It had exported 0.75 million mt of coal in November this year. Exports over January-December are down 7% year on year to 8.17 million mt from 8.79 million mt in 2016. The GAC did not give a breakdown of the December imports and exports, which would be available later this month.

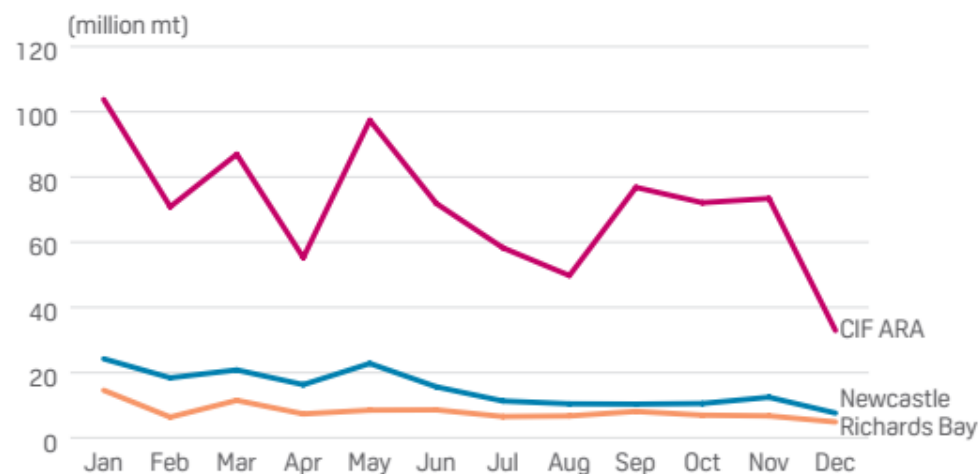
### Indonesia sees 2018 coal exports rising 7% to 371 mil mt

Indonesia's coal exports are forecast to reach 371 million mt this year, up 7% from last year, a senior government official said Friday. Assuming an average price of \$80/mt, the value of coal exports this year is expected to reach \$29.68 billion, according to Bambang Gatot Ariyono, mineral and coal director general at the Energy and Mines Ministry.

Indonesia also aims to produce 485 million mt of coal in 2018, up 5% year on year, the official said. The increase in production this year is expected to be triggered by various factors, particularly the expectation of higher prices, he said. "The government controls the coal production through approval of a work and budget plan submitted by miners," he said. "So miners will not be able to increase production without the government's approval. "The government will allow production to increase by 5% compared with last year's realized figure," he said. "It's about 485 million mt." Producers will also have to meet domestic demand, which is expected to reach 114 million mt this year. That compares with 97 million mt in 2017, which turned out lower than expected, Gatot said. That was due primarily to reduced industry needs and the delay in completion of power plant projects, Gatot said. Indonesia missed its 2017 target of 471 million mt production, due to various factors such as weather conditions and the availability of heavy equipment to help mining activities, Gatot said. Indonesia's average coal price average – known as Harga Acuan Batubara demand from countries such as Vietnam, China and India. In 2017, the average coal price was \$70/mt

### December atlantic thermal coal derivatives down 51% on month

#### THERMAL COAL DERIVATIVE VOLUMES 2017: LEBA



Source: LEBA

Traded volumes of Atlantic market thermal coal derivatives totaled 45.35 million mt in December, down 51% on the month and 54% on the year, according to data released Thursday by the London Energy Brokers' Association. In 2017 the total annual volume stood at 1.16 billion mt, down 55.7% from 2016, largely owing to major Atlantic thermal coal derivative trading houses exiting the market.

Volumes of Europe-delivered CIF ARA derivative contracts traded in December were 32.91 million mt, down 55% on the month and 50% on the year. In 2017 CIF ARA derivatives stood at 849.44 million mt, down 59% on the year, and made up 73.5% of total thermal coal derivatives cleared in 2017.

South African Richards Bay thermal coal derivatives totaled 4.86 million mt in December, down 28% on the month and 52% on the year. In 2017 Richards Bay thermal coal derivatives were at 96.6 million mt, down 58% on the year, and made up 8.36% of total thermal coal derivatives cleared in 2017. Australian Newcastle derivatives totaled 7.59 million mt in December, down 39% on the month and 65% on the year. The total annual volume for Newcastle derivatives cleared stood at 180.78 million mt, down 44% on the year.

(Source: Platts)