



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
DAILY NEWS

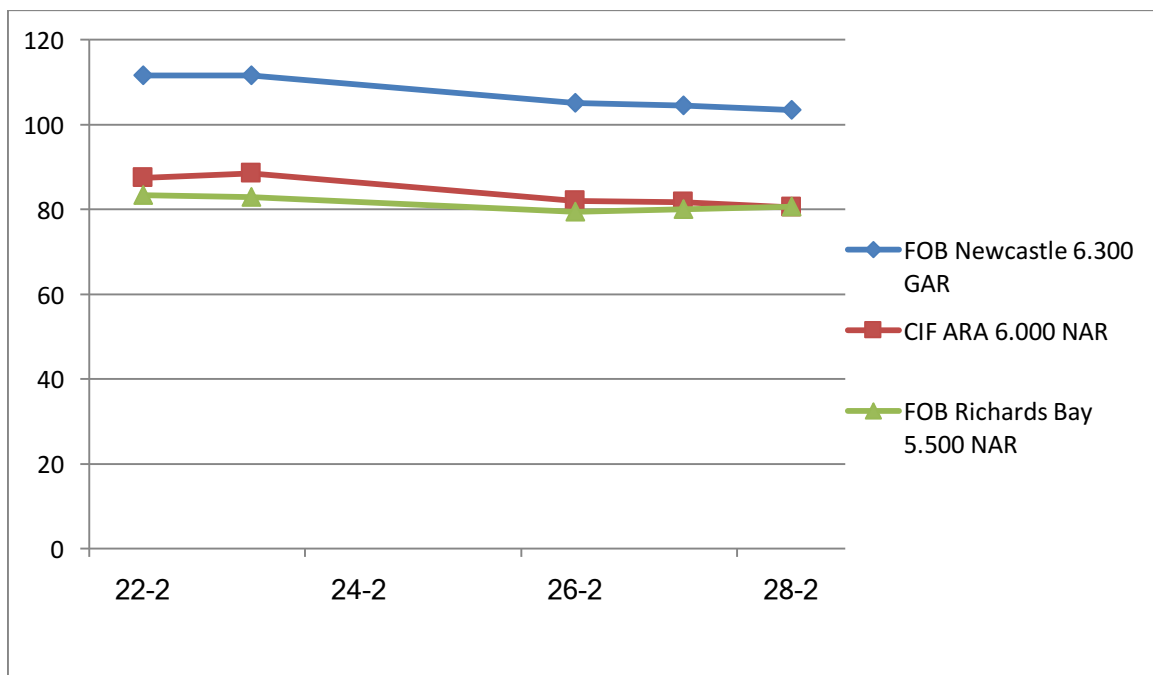
Date 01/03/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	103.50	-1.00	107.00	+0.00
CIF ARA 6,000 NAR	80.50	-1.20	80.55	-1.20
FOB Richards Bay 5,500 NAR	80.65	+0.65	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	87.00	-0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	72.50	-0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	59.00	-0.10	435.46	+0.98
PCC7 (CFR South China 4,700 NAR)	80.50	+0.00	594.15	+2.35
PCC8 (CFR South China 5,500 NAR)	95.25	-0.25	703.02	+0.95

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 28/02/2018)

NEWS

China's coastal coal freight rates move up after Lunar New Year holidays

Freight rates for shipping coal from northern China's Qinhuangdao port to the ports of Zhangjiagang, Shanghai and Guangzhou in the east and south China moved upwards after the Lunar New Year holidays, Qinhuangdao Port operator said Tuesday. The freight rate from Qinhuangdao to Zhangjiagang in eastern China's Jiangsu province for 20,000-30,000 mt capacity vessels rose to Yuan 32.30/mt (\$5.12/mt) Tuesday, up Yuan 3 from Yuan 29.30/mt on February 13, Qinhuangdao Port said. The rate from Qinhuangdao to Shanghai in eastern China for vessels with a capacity of 40,000-50,000 mt jumped to Yuan 27.20/mt Tuesday, from Yuan 22/mt on February 13. The rate from Qinhuangdao to Guangzhou in southern China for 50,000-60,000 mt capacity vessels totaled Yuan 34.30/mt Tuesday, up from Yuan 30.30/mt on February 13. The upturn in the coastal coal freight market comes on the back of the resumption in production across the country following the Lunar New Year holidays, the port operator said. Meanwhile, coal stocks at Qinhuangdao port stood at 6.15 million mt Tuesday, up from 6.07 million mt two weeks earlier, port figures showed.

Anglo American concludes sale of three coal mines in South Africa

Anglo American has completed the sale of three Eskom-tied thermal coal operations in South Africa to Seriti Resources, a group of black-controlled companies for R2.3 billion (about \$164 million). The deal includes the New Vaal, New Denmark and Kriel mines, as well as various mine life extension projects, which supply about 24 million tonnes a year of coal to Eskom Holdings' Lethabo, Tutuka and Kriel power stations. Collectively, those three plants account for almost 25% of the country's current power supply. "We believe the conclusion of the sale to Seriti represents a major step change in transformation in the coal (and broader mining) sector," Norman Mbazima, Deputy Chairman of Anglo American South Africa, said in the statement.

Eskom, South Africa's biggest coal buyer and provider of almost all of the nation's power, has repeatedly said it wants suppliers to be black-controlled, as part of government push to boost black involvement in the economy to make up for discrimination during apartheid. Partly because of that pressure, Anglo has been selling coal assets that exclusively supply the state-owned power utility, including the New Largo mine, also bought recently by Seriti, which is led by Mike Teke, chairman of South Africa's Chamber of Mines. Thanks to the massive assets sale kicked off in 2016, Anglo — which was founded in South Africa in 1917 — came out in very good shape from the recent and sharp rout in metal prices that hurt the mining industry since late 2015 until early last year. Only last week, it announced it had doubled its net profit in 2017, slashed debt and said it would pay its highest dividend in a decade, thanks mainly to rising commodity prices and lower costs.

Indonesian coal became less attractive

A China-based trader said bids for 3,800 kcal/kg NAR Indonesian thermal coal for geared shipment and loading in mid March were around \$51/mt FOB. But not much buying was happening at the moment, he said. "Market sentiment is a bit off." There was some interest for lower CV Indonesian grades such as 3,800 kcal/kg NAR and 3,400 kcal/kg NAR, but very limited transactions for the mid- and high-CV coal grades. Chinese buyers were not willing to pay more than \$50-\$50.50/mt FOB for a 3,800 kcal/kg NAR shipment, an Indonesia-based trader said. It seems buyers were expecting some correction in prices which is why they are trading cautiously, he said.

Another Indonesia-based trader said he heard offers for March cargoes of branded 5,000 kcal/kg GAR coal at \$75/mt FOB, but there were no immediate counterbids available. A Singapore-based trader said buying sentiment in the market was weakening and he heard a bid from China and India for branded 5,000 kcal/kg GAR coal at \$71/mt FOB against offers at \$75/mt FOB. "The market is going through a lot of volatility. Both business and consumer confidence is low," a West India-based trader said. Traders are not sure what to do in such a market situation, he noted. The market participants were finding it very difficult to deal with such high prices, he added.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	7.75	-0.10
(150,000 tons)	Queensland	Japan	9.00	-0.10
	New South Wales	South Korea	9.50	-0.10
Panamax	Richards Bay	India West	13.65	-0.15
(70,000 tons)	Kalimantan	India West	9.25	-0.15
	Richards Bay	India East	13.85	-0.15
	Kalimantan	India East	7.85	-0.15
	Australia	China	12.50	+0.20
	Australia	India	13.70	+0.00

(Source: Platts Coal Trader International – Date 28/02/2018)