



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

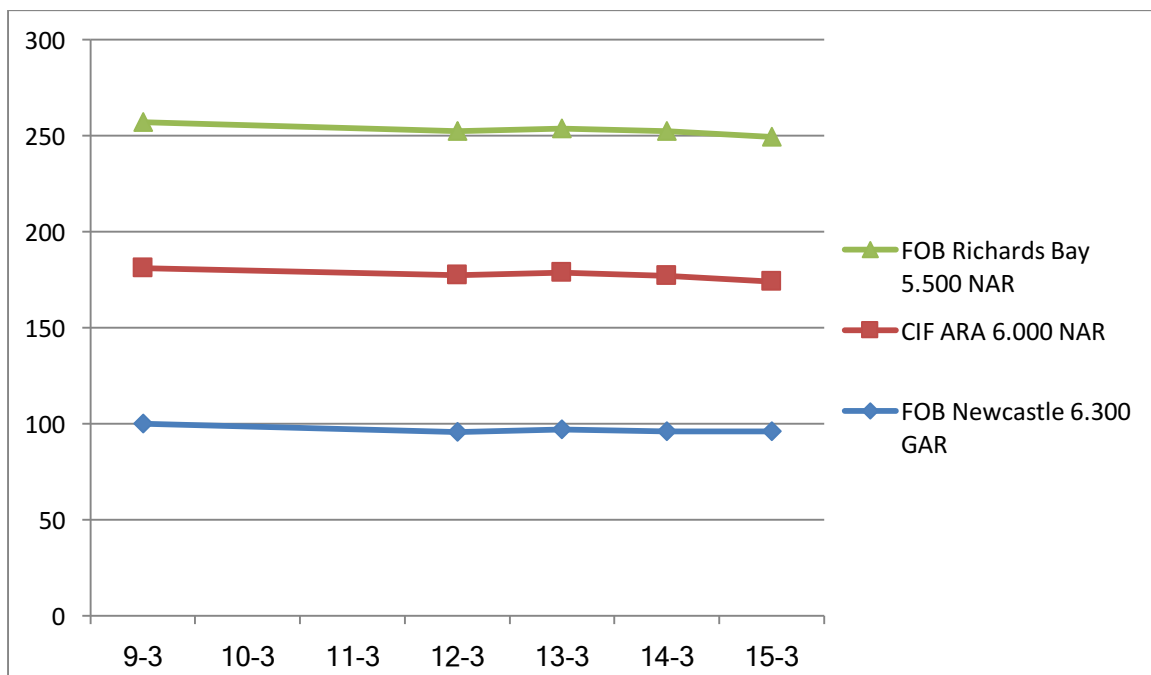
Date 16/03/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	96.00	+0.00	94.65	+0.10
CIF ARA 6,000 NAR	78.20	-2.70	80.40	-0.85
FOB Richards Bay 5,500 NAR	75.20	-0.45	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	82.50	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A		

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	54.50	-0.50	401.36	-3.46
PCC7 (CFR South China 4,700 NAR)	76.55	-0.80	563.74	-5.58
PCC8 (CFR South China 5,500 NAR)	82.75	+0.00	609.39	+0.32

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 15/03/2018)

NEWS

Australia's Aurizon confirms potential 20 million mt reduction of coal rail volumes

Australia's Aurizon Network, a key coal rail operator in Queensland, has confirmed Wednesday of a potential 20 million mt reduction in the annual coking and thermal coal railed volumes over the course of this year. Aurizon Network estimated that the potential loss of throughput arising from its revised operating practices could be up to 20 million mt on an annualized basis, the company said in a media release. Aurizon transports both coking coal and thermal coal, with coking coal making up 70% of its below rail network. The estimated split across Aurizon's four rail corridors is: Goonyella: up to 10 million mt/year; Blackwater: up to 8 million mt/year; Moura: up to 1.5 million mt/year; and Newlands: up to 0.3 million mt/year. "The flexible operating practices that Aurizon Network previously afforded customers are no longer feasible in the context of the allowances provided by the QCA under the Draft Decision," the rail operator said.

Some miner sources said that they have already seen an effect on their coal railing volumes. One miner source said that while this was earlier limited to the Blackwater line, it appears that the Goonyella line users are being affected as well. The miner said that it is difficult to gauge the exact volumes affecting each company. "However, you just can't tell whether the effect is from plain maintenance or if it coming out of the effect of this decision," added the miner. Earlier in February, the Queensland Competition Authority in a draft maintenance and operating plan capped the rail network's allowable revenue for the next four years at A\$3.9 billion (\$3.1 billion), A\$1 billion less than what the company had projected. In response, Aurizon announced on February 12 it would lower throughput guidance on its Central Queensland Coal Network by 20 million mt/year in fiscal 2017 to 210 million-220 million mt, from 215 million-225 million mt announced earlier. According to estimates for coking coal exports in 2017 by Goldman Sachs, Australia makes up 58% of global exports, with global exports estimated at 295 million mt.

China's coastal coal freight rates rangebound in week to march 13

Freight rates for shipping coal from northern China's Qinhuangdao port to the other Chinese ports of Zhangjiagang, Shanghai and Guangzhou in eastern and southern China continued to move sideways in the week to March 13, port operator Qinhuangdao Port said Tuesday. The freight rate from Qinhuangdao to Zhangjiagang in eastern China's Jiangsu province for 20,000-30,000 mt capacity vessels inched up by Yuan 0.30/mt week on week to Yuan 33.10/mt (\$5.24/mt) on March 13, Qinhuangdao Port said. The rate from Qinhuangdao to Guangzhou in southern China for 50,000-60,000 mt capacity vessels slipped Yuan 0.20/mt week on week to Yuan 34.90/mt on March 13. The rate from Qinhuangdao to Shanghai in eastern China for vessels with a capacity of 40,000-50,000 mt fell Yuan 1.40/mt over the week to Yuan 25.60/mt on March 13. Continuous rise in temperatures across the country has slowed the expected hike in coal consumption at power plants, keeping coastal coal freight rates rangebound, the port operator said. Meanwhile, coal stocks at Qinhuangdao port stood at 6.49 million mt on March 13, slightly down from 6.54 million mt on March 6, port figures showed.

China's January-February raw coal output up 5.7% on year at 520 million mt

China mined 520 million mt of raw coal in January and February, up 5.7% year on year, National Bureau of Statistics data released Wednesday showed. Demand for coal also picked up in the first two months of the year in the domestic as well as seaborne markets in light of better industrial performance. China's power generation plants faced extreme low stockpile in January and the first half of February due to colder weather and better-than-expected recovery in business cycle. To meet the stronger demand of coal, Chinese central government encouraged domestic coal producers to increase their production capacity and improve coordination with railways to streamline inland transportation and supply.

The price of FOB Qinhuangdao 5,500 kcal/kg NAR coal surged almost 30% in the past year, to be assessed at Yuan 770/mt early February, S&P Global Platts data showed, driven by strong demand and supply tightness in several coal-producing regions. However, the prices fell after the Chinese Lunar New Year holidays due to low coal consumption rate and high stockpile level. Platts assessed

the FOB Qinhuangdao 5,500 kcal/kg NAR coal price at Yuan 645/mt FOB Tuesday. China generated 1.045 trillion kWh of electricity in JanuaryFebruary, up 11% year on year and the highest rise since August 2013. The growth rate of thermal power generation rose 9.8% year on year, while hydropower generation in the same period jumped 5.9% on the year. Nuclear power generation was up 17.9% on the year, while wind and solar power generation grew 34.7% and 36%, respectively, on the year.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize (150,000 tons)	Australia	China	7.30	+0.00
	Queensland	Japan	8.50	+0.00
	New South Wales	South Korea	9.05	+0.00
Panamax (70,000 tons)	Richards Bay	India West	13.80	+0.00
	Kalimantan	India West	9.55	+0.00
	Richards Bay	India East	14.00	+0.00
	Kalimantan	India East	8.15	+0.00
	Australia	China	13.00	+0.00
	Australia	India	14.35	+0.15

(Source: Platts Coal Trader International – Date 15/03/2018)