



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

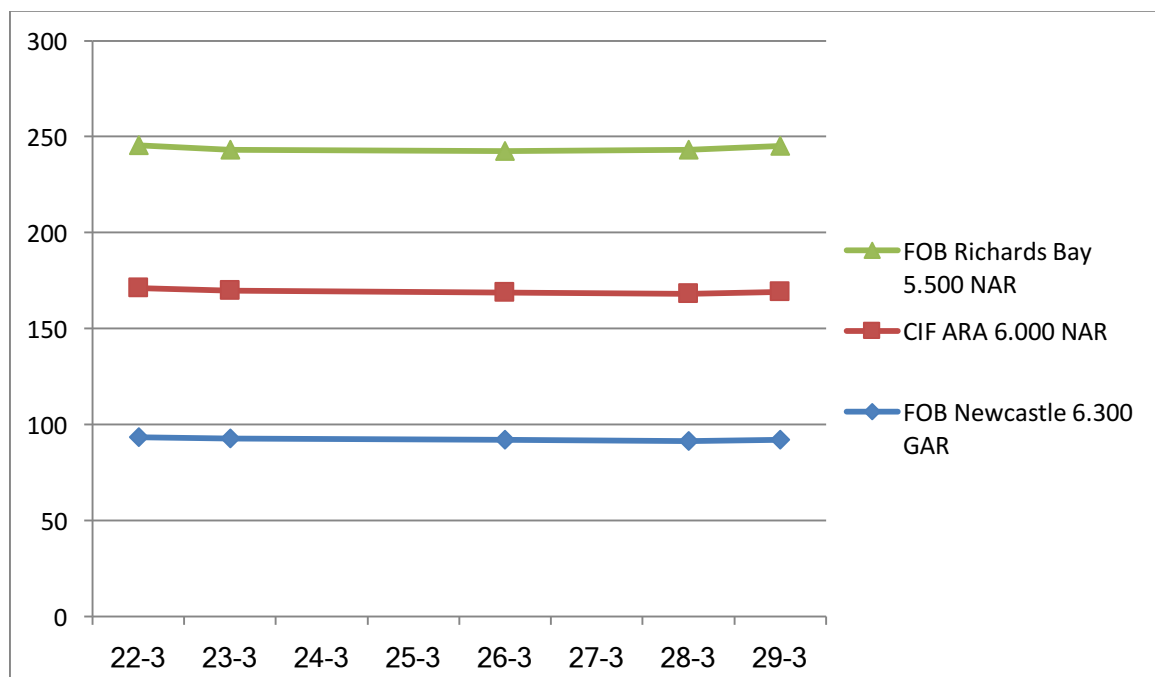
Date 02/04/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	92.05	+0.55	92.15	+1.10
CIF ARA 6,000 NAR	77.00	+0.30	77.00	+0.25
FOB Richards Bay 5,500 NAR	76.10	+1.25	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	79.00	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	63.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	51.20	-0.15	375.50	-0.95
PCC7 (CFR South China 4,700 NAR)	71.80	-0.05	526.58	-0.14
PCC8 (CFR South China 5,500 NAR)	80.50	+0.00	590.39	+0.25

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 29/03/2018)

NEWS

Weak china demand weighs on asia thermal coal prices

The Asia Pacific thermal coal market remained weak Thursday ahead of the Easter holidays in Singapore and Australia, with buying appetite thin amid high inventories at ports and power plants, market sources said. Still, a more active industrial market in April, upcoming Qinhuangdao rail corridor maintenance and lower output by some domestic mines in China could support prices in the near term, sources said. A market source in China heard spot domestic 5,500 kcal/kg NAR coal traded at Yuan 620/mt FOB and 5,000 kcal/kg NAR coal at Yuan 555-560/mt FOB. “The weather is getting warmer now, stocks at power plants are high and the rainy season will start soon,” he said, adding this would likely spur hydropower output.

Many buyers were relying on their long-term contracts, which were fixed below Yuan 600/mt FOB, he said, adding buyers might be enticed to purchase spot cargoes if prices dropped below the long-term contract price. He expected domestic 5,500 kcal/kg NAR coal prices to bottom at Yuan 600/mt FOB, adding the market might reach this level soon, as it was already at Yuan 620/mt. “Power plants still have enough coal. They don’t need to rush [to buy stocks],” he said. An end-user in China heard an offer for Australian 5,500 kcal/kg NAR coal at \$73/mt FOB Newcastle 23% ash based on a Capesize shipment for May arrival, and added Chinese buyers may only consider offers for Australian high ash coal at Yuan 600/mt CFR South China.

Indo prices to fall further

The source said he recently booked one Indonesian 3,800 kcal/kg NAR coal cargo at \$42.70/mt FOB based on a Supramax vessel for April arrival, and had made no subsequent inquiries for April arrival cargoes. “Although the price dropped very fast and the market seemed in panic mode, we do not want to book more cargoes as we expect the price will drop further,” he said. He added Chinese domestic coal mines have increased production this year, and it seemed that the Congress meeting in March had not affected domestic coal production as much as last year. Other market sources agreed, and said Indonesian 3,800 kcal/kg NAR coal may still have room to dip further and would not find support in the short term.

A trader in Singapore said there was a trade for a H1 April geared shipment of 3,800 kcal/kg NAR coal at \$42.40/mt FOB Kalimantan. An Indonesia-based trader said he heard a bid for a May shipment of 3,800 kcal/kg NAR coal at \$40/mt FOB. However, a source at a major Indonesian coal producer said his company had sold a gearless shipment of 3,800 kcal/kg NAR coal with low sulfur in the low \$43s-high \$44s/mt FOB range. Another trader in Singapore said a South China-based utility awarded an April-arrival Indonesia 3,800 kcal/kg NAR coal cargo at Yuan 369/mt [\$49.35-49.85/mt] CFR, basis 3,800 kcal/kg NAR, on Thursday. He also heard another Yangtze River area utility had awarded a Supramax cargo at \$41/mt FOB based on 3,800 kcal/kg NAR coal for April arrival.

2017 success one-off event: Bumi Resources

PT Bumi Resources, Indonesia's largest thermal coal miner, says its huge success in 2017 was only a one-off event and it is unlikely the company will repeat it again this year. “The year 2017 was a landmark year and we expect 2018 to be a more representative year for Bumi without the one-offs [that occurred last year],” Bumi corporate secretary Dileep Srivastava told The Jakarta Post recently. Bumi, affiliated with politician and tycoon Aburizal Bakrie, saw its revenues fall by 25.7 percent year-on-year to US\$17.36 million in 2017. However, its net income from associates and joint ventures soared by 145.23 percent to \$206.6 million. Moreover, after increasing its ownership of PT Arutmin Indonesia from 70 to 90 percent last year, Bumi revaluated Arutmin’s assets, resulting in a significant jump in the assets’ value from only \$262 million to \$1.35 billion. Subsequently, Bumi included \$740.38 million in its other income posted as a gain on an increase in share investment value.

Then, after taking into account other variables, including asset impairment worth \$486.4 million and taxes of \$66.97 million, Bumi was able to record a net profit of \$373.25 million, a staggering

451.39 percent jump compared to its 2016 achievement. Furthermore, Bumi's debt-restructuring efforts last year eventually led to a 42.07 percent reduction in its total liabilities to \$3.41 billion. In 2018, Bumi expects to boost its coal production by 10 percent from the 83.7 million tons it recorded last year.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
				<i>Unit: USD/ton</i>
Capesize	Australia	China	7.05	+0.00
(150,000 tons)	Queensland	Japan	8.15	+0.00
	New South Wales	South Korea	8.70	+0.00
Panamax	Richards Bay	India West	13.80	-0.55
(70,000 tons)	Kalimantan	India West	9.50	-0.25
	Richards Bay	India East	14.00	-0.55
	Kalimantan	India East	8.05	-0.25
	Australia	China	12.25	-1.00
	Australia	India	14.00	-0.65

(Source: Platts Coal Trader International – Date 29/03/2018)