



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

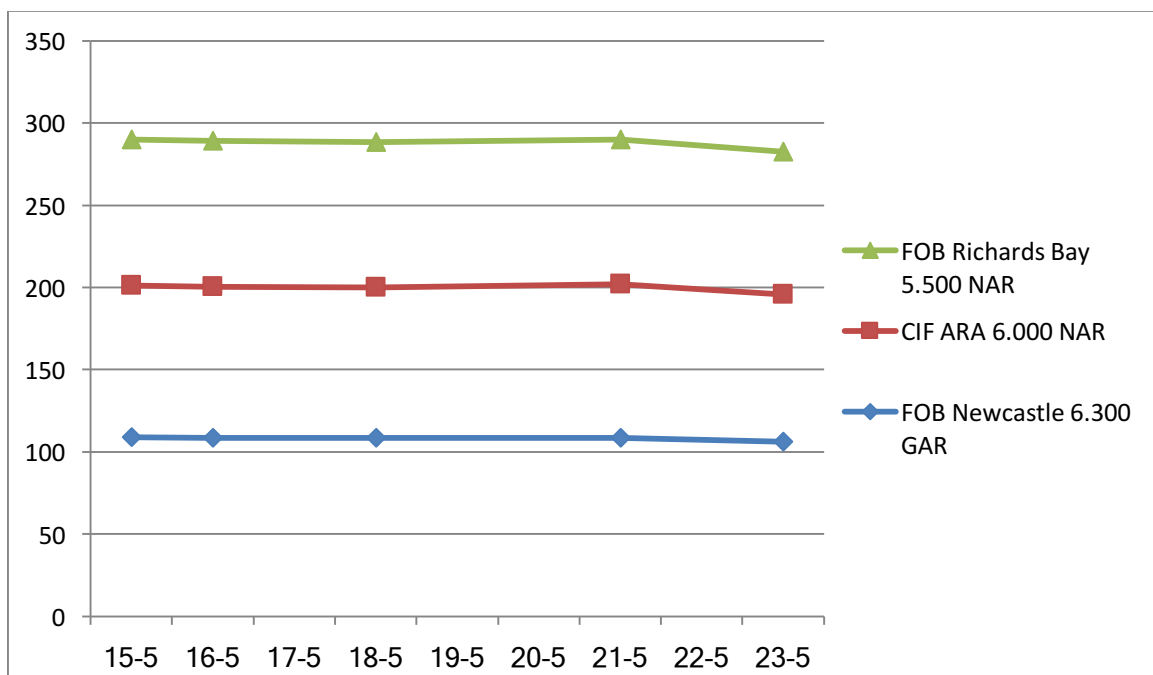
Date 28/05/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	106.20	-1.40	106.40	0.00
CIF ARA 6,000 NAR	89.35	-1.95	91.95	-1.25
FOB Richards Bay 5,500 NAR	87.00	-0.65	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	80.25	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	64.50	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	55.00	+0.95	349.75	+6.82
PCC7 (CFR South China 4,700 NAR)	73.00	+0.45	464.21	+3.91
PCC8 (CFR South China 5,500 NAR)	87.00	+0.20	553.24	+2.52

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 23/05/2018)

NEWS

Russian miner Mechel's Q1 met coal sales hit by logistics

Russian miner Mechel said a shortage of rail wagons and infrastructure constraints in far east Russia, along with high stocks at ports, hit met coal sales in the first quarter. Mechel, which operates coke and steel plants, said it shipped 1.6 million mt of coking coal in Q1, with external sales at 887,000 mt, down 27% from Q1 2017. PCI coal sales in Q1 fell 8% to 313,000 mt, while external anthracite sales dropped 31% to 267,000 mt. External coke sales fell 29% to 168,000 mt. “Our sales dynamics suffered negative impact from several factors, including persistent shortage of railway gondola cars in the Kemerovo Region and infrastructure limitations in Russia’s Far East on the way to ports,” CEO Oleg Korzhov said.

Mechel said it had built up an “extraordinarily high stock” of coking coal at ports in Q4 2017, which yielded extra sales volumes at that time. It undertook planned repairs at the Neryungrinskaya coal washing plant early this year, which hit volume in Q1. The company allocated more coking coal to Japan in Q1, over China, due to higher prices, with volumes to Japan up 10%. PCI sales dropped due to weaker demand in Asia, with some sales moving into April loadings, Mechel said. Coal mining volumes were maintained at the previous quarter’s level, with the new Elga Coal Complex reaching a record quarterly mining volume, of 1.2 million mt of run-of-mine, or ROM, coal output, up 43% on Q1 2017. Mechel’s ROM coal production across the group hit almost 5 million mt in Q1, 2% down on Q1 2017 and flat on Q4 2017. Mechel has been implementing a major revamp program and plans to gradually increase coal mining volumes to return to 2015/16 levels, which needed more in-house and contractor-supplied mining equipment.

China’s coastal coal freights continue to rise in week to Tuesday

Freight rates for shipping coal from northern China’s Qinhuangdao port to Zhangjiagang, Shanghai and Guangzhou in eastern and southern China continued to rise in the week to May 22, 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 rose by Yuan 5.60 on the week to Yuan 51.60/mt (\$8.10/mt) on Tuesday, Qinhuangdao Port said. The rate from Qinhuangdao to Shanghai in eastern China for vessels with a capacity of 40,000-50,000 mt rose by Yuan 6.40/mt to Yuan 47.80/mt on the week while the rate from Qinhuangdao to Guangzhou in southern China for 50,000-60,000 mt capacity vessels gained Yuan 8.20 to Yuan 54.60/mt. An expected rise in downstream coal demand from local coal traders has continued to underpin the upturn, the port operator said. Meanwhile, coal stocks at Qinhuangdao port were 5.18 million mt on Tuesday, up from 5.15 million mt on May 15, port figures showed.

Netherlands sets coal plant closure dates for remaining five units

The Dutch government on Friday set out details for its ban on coal-fired power plants with the two oldest plants with a combined capacity of 1.2 GW set to close by end-2024. According to a statement by the energy ministry, the council of ministers agreed the proposal by energy minister Eric Wiebes. The three remaining modern plants with a combined capacity of 3.4 GW will have to stop using coal for electricity production by December 31, 2029, it said. In the preceding period the owners can make their plants suitable for electricity production by means of other fuels, such as biomass, the statement said. The new Dutch coalition agreed last October to exit coal-fired power generation by 2030 helping it to achieve a 49% cut in CO2 emissions. Following a public consultation, the bill will be submitted to parliament after the summer recess, it said.

Germany-based utility RWE, which operates the Amer 9 and Eemshaven coal plants, in a statement described the announcement as ‘ill judged’ and plans to assess the possibility of taking legal action as the company foresees ‘significant impact on its business.’ “Currently no compensation is planned for the ban on operating the plants according to the granted permits,” RWE said adding that “this is despite the fact that RWE built the Eemshaven power plant at the specific request of the Dutch government investing Eur3.2 billion [\$3.8 billion] going into operation in 2015.” Vattenfall, the operator of the Hemweg-8 unit, said it will respect the decision and close the unit in 2024 despite its technical lifespan stretching to 2034.

(Source: Platt's)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize	Australia	China	9.00	-0.15
(150,000 tons)	Queensland	Japan	10.45	-0.15
	New South Wales	South Korea	11.10	-0.15
Panamax	Richards Bay	India West	12.15	+0.00
(70,000 tons)	Kalimantan	India West	9.60	+0.00
	Richards Bay	India East	12.35	+0.00
	Kalimantan	India East	8.10	+0.00
	Australia	China	12.85	-0.20
	Australia	India	14.40	-0.20

(Source: Platts Coal Trader International – Date 23/05/2018)