



PETROVIETNAM OIL & GAS GROUP
PETROVIETNAM POWER CORPORATION
DAILY NEWS

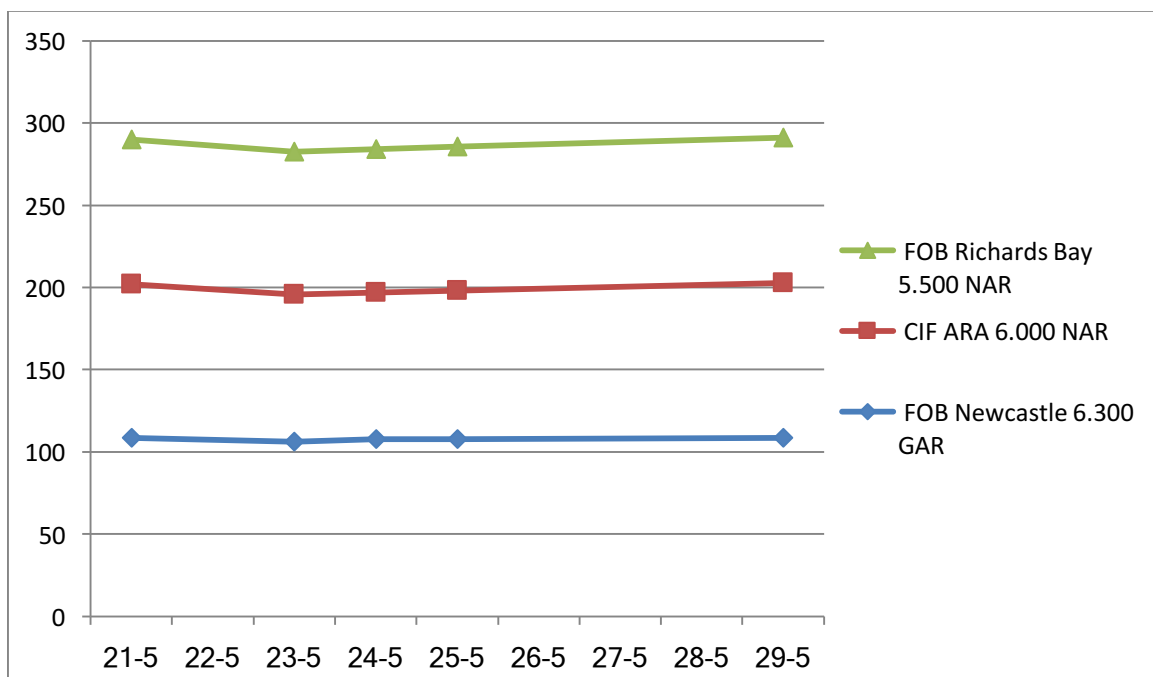
Date 31/05/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	108.60	+0.85	108.80	+1.30
CIF ARA 6,000 NAR	94.30	+3.95	94.10	+1.90
FOB Richards Bay 5,500 NAR	88.00	+0.65	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	N/A	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	N/A	+0.50

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	53.80	+0.00	344.02	+1.31
PCC7 (CFR South China 4,700 NAR)	72.30	+0.00	462.32	+1.77
PCC8 (CFR South China 5,500 NAR)	83.50	+0.00	533.94	+2.04

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 29/05/2018)

NEWS

If China wants coal, the US has got coal

The coal industry and the state of West Virginia have plenty to sell to China if the country wants to increase US imports to help reduce US trade deficits with China. Citing unnamed sources, Bloomberg Tuesday reported that Chinese officials are currently looking at boosting purchases of coal, especially from West Virginia. In the joint China-US statement released on May 19 in Washington, both countries agreed to take steps to reduce the US trade deficit in goods, with China significantly increasing purchases of US goods, including agricultural and energy products and services. Qingyun Sun, associate director of the US-China Energy Center at West Virginia University and a governor's assistant for China affairs in West Virginia, said in an interview that there is plenty of capacity in his state and the US to substantially increase American exports. "Our coal production decreased due to the market shrinking. We have the capacity for steam coal (used in power generation) and metallurgical coal (used in steel making)," Sun said in an interview. Bill Raney, president of the West Virginia Coal Association, agreed with Sun that there is ample capacity to ramp up exports. "West Virginia exports more coal than any other state and currently accounts for about half the coal exported from the US," Raney said in an email. "Right now the majority of our coal is exported to India, Japan, (South) Korea and China," said Sun.

The US exported 97 million short tons (MMst) of coal in 2017, a 61 percent increase over the 2016 level, as exports to Asia more than doubled from 15.7 MMst in 2016 to 32.8 MMst in 2017, including about 3.2 MMst to China, according to the US Energy Information Administration. "Coal exports in the US are surging in part because China has been shutting down its less efficient coal mines," Marc Scribner, senior fellow at the Competitive Enterprise Institute, told Fox Business in March. Sun said coal still represents a major sector in West Virginia's economy. An increase in American coal imports by China would be beneficial to coal-producing states that voted for US President Donald Trump in the 2016 election amid his promises to revive the struggling industry.

Thailand's April coal imports jump 22% on year to 2.32 mil mt

Thailand imported 2.32 million mt of coal in April, up 21.5% year on year, with sharp increases in anthracite coal and other coal, according to latest data released by the customs department. Of the total, the country imported 921,884 mt of bituminous coal in the month, down 8.3% year on year. The coal was largely from Australia, with 422,503 mt, up 41.4%, followed by Indonesia with 371,670 mt, 41.7% lower. The import of other coal spiked 73.7% year on year to 1.38 million mt in April, with the coal mostly from Indonesia at 1.32 million mt, up 79.3%. Thailand imported 26,393 mt of anthracite coal in the month, up 67.1% year on year, mostly from Vietnam.

In the first four months of the year, Thailand imported 7.8 million mt of coal, up 4.2% year on year. It was mainly bituminous coal, at 2.67 million mt, down 31.2%, while other coal totaled 5.06 million mt, up 43.2%. Indonesia and Australia remained key suppliers of coal to Thailand in the period. Meanwhile, Thailand produced 3.56 million mt of lignite in the first three months, down 10.5% year on year, according to data released May 12 by the Energy Policy and Planning Office. The country consumed a combined 9.54 million mt of coal and lignite over January-March, down 0.5% year on year. Of the total, coal-fired power plants consumed 5.69 million mt, down 1.3% year on year, with the rest being consumed by other industrial users. Data on production and consumption for April and the first four months is scheduled to be released next month.

Hindustan Zinc tenders for 40,000 mt of thermal coal for June

Vedanta Group company Hindustan Zinc Limited issued Tuesday a tender for 40,000 mt of thermal coal for June to the preferred ports or Kandla port and Navlakhi port on west coast India. Hindustan Zinc require coal with a heating value of 5,000-7,000 kcal/kg GAR, 8%-19% total moisture, up to 29% ash air dried, volatile matter of 20%-42% air dried, and sulfur up to 3% air dried. The dispatches should start from next week, the company asks for offers on a firm fixed price, stock & sale/high sea sales basis. The last date for submission of offers is May 31.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	N/A	N/A
(150,000 tons)	Queensland	Japan	N/A	N/A
	New South Wales	South Korea	N/A	N/A
Panamax	Richards Bay	India West	N/A	N/A
(70,000 tons)	Kalimantan	India West	N/A	N/A
	Richards Bay	India East	N/A	N/A
	Kalimantan	India East	N/A	N/A
	Australia	China	N/A	N/A
	Australia	India	N/A	N/A

(Source: Platts Coal Trader International – Date 29/05/2018)