



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

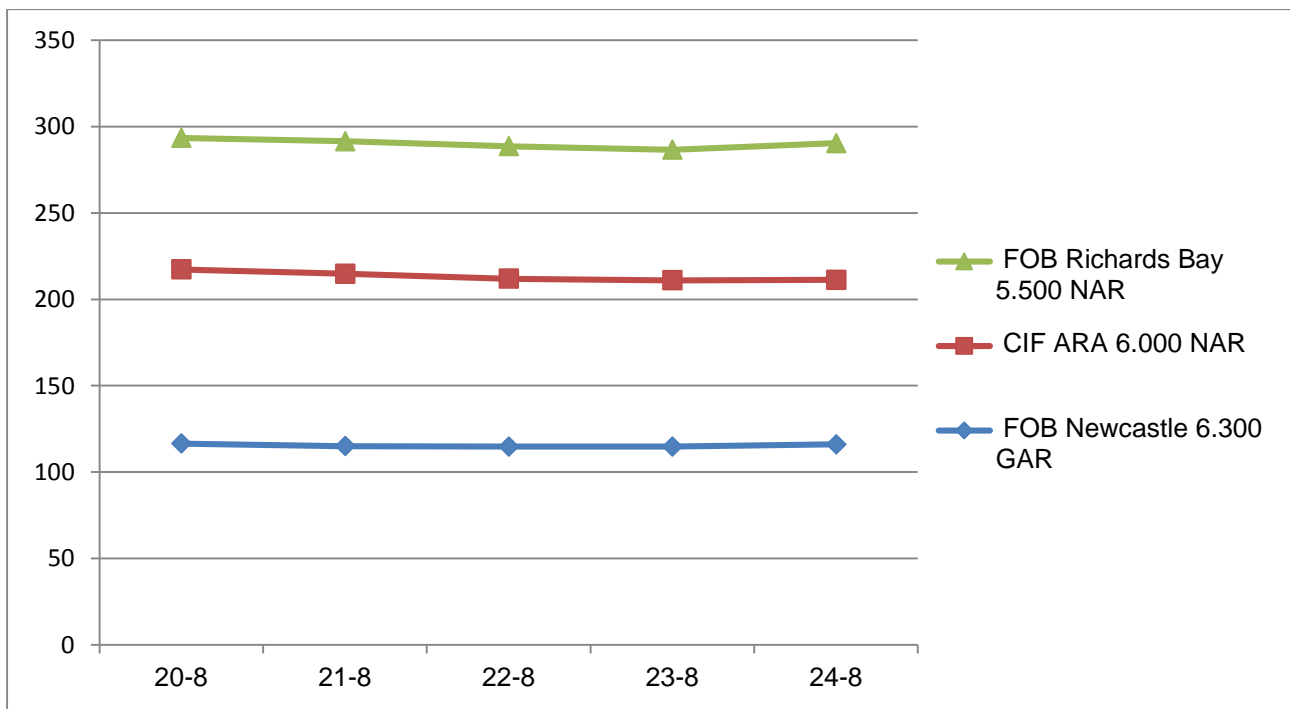
Date 28/08/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	116.00	+1.25	N/A	N/A
CIF ARA 6,000 NAR	95.25	-0.95	N/A	N/A
FOB Richards Bay 5,500 NAR	79.10	+3.45	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	76.50	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	55.75	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	46.00	+0.00	365.77	+0.53
PCC7 (CFR South China 4,700 NAR)	64.25	+0.00	510.88	+0.75
PCC8 (CFR South China 5,500 NAR)	76.50	+0.00	608.28	+0.88

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 24/08/2018)

NEWS

Russia could become global leader in coal exports

Russian President Vladimir Putin has announced plans to expand the country's coal exports on the global markets. "Last year, domestic companies exported more than 190 million tons of coal," the president said, noting that Russia is currently the world's third biggest exporter. "The current market conditions provide Russia with an opportunity to expand its presence in the world's markets, uphold that position and boost its share of exports," Putin said as quoted by TASS. According to the president, achieving those goals depends on solving a whole range of vital tasks, including logistics. "Producers' plans on production increase must be in a constant connection with development agenda of Russian Railways (RZD), as well as with sea ports investment projects," Putin said, highlighting the need to provide a complex approach for increasing the carrying capacities of the country's railroads.

The president called for not only the needs of coal companies to be addressed, but firms shipping bulk and liquid cargos as well. Putin also urged domestic fuel and energy corporations to enter new markets and to diversify supplies. "Russian energy companies maintain stable positions on foreign markets. For example, the volume of natural gas exports broke the record high for two consecutive years," he said speaking in front of the Commission on the Strategy for the Development of the Fuel and Energy Complex and Environmental Safety. "Over the past few years, the global energy market has become noticeably more competitive, so it's extremely important to effectively use our competitive advantages, diversify supply routes, enter and consolidate positions on new markets," the president said. Putin defines the Asia-Pacific region as "one of the most attractive destinations" with a growing demand for a wide range of products that is opening up great opportunities for Russian firms.

Chinese port restrictions unsettle seaborne thermal coal market

Thermal coal import restrictions at several Chinese ports continued to unsettle the Asian seaborne market, as a power plant in China reportedly canceled 11 shipments under a recent tender, multiple sources said Friday. A China-based trader said a power company has canceled a tender under which it had bought about 11 cargoes for September and October loading, despite the rigid import quota system in place. "The utility had closed the tender in the hope that they would convince Chinese customs to allow imports, but that did not happen," he noted. While nearly seven vessels were scheduled for loading in September, the remaining was for October. "One or two vessels are already en route to China under this tender," he said, adding that some of the Chinese traders have also burnt their fingers in this deal as they had already taken positions. "We have four shipments which got canceled," a Singapore-based trader said, adding that the cancellation was due to overshooting import quotas. "However, it's unclear whether it's port quota or power plant quota," another China-based trader said. He said that one of his fellow traders had won the tender to supply three cargoes, but he had yet to procure the coal from suppliers. A Chinese end-user said he is currently not importing thermal coal as there is still a backlog of stocks to clear. "Most of the power plants have used up the import quota for the year, so it is difficult for them to move into the seaborne market even if there is demand for it," a third China-based trader noted. Some sources said even though they have not heard of shipment cancellation yet, they have had some requests for deferment.

New Hope's Australian coal production rises 11% on year in May-July

Australian miner New Hope said Monday that coal production rose 11% year on year in the May-July quarter, with its total fiscal 2017-2018 (August-July) output posting a 4% growth. July quarter's production came in at 2.38 million mt, of which 1.41 million mt came from its 100%-owned Queensland-based New Acland and Jeebropilly mines, up 11% year on year. The Queensland mines produced 5.16 million mt over the course of the 12 months, down 1% year on year, and from Bengalla, the miner produced 3.78 million mt, up 11% on year. Total production for the year rose to 8.94 million mt from 8.61 million mt the year prior.

Annual coal exports from the company's QBH terminal at Brisbane port, where its Queensland mines export via, were the highest since 2014, it said. The results showed the terminal's throughput was 2.11 million mt in May-July, up 8.2% year on year from 1.95 million mt, which took the full year exports to 7.18 million mt, up 5% from 6.85 million mt. New Hope announced August 7 that it reached a binding commitment to acquire up to a further 40% interest in the Bengalla Joint Venture for A\$860 million (\$635.57 million) from Wesfarmers.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change
				<i>Unit: USD/ton</i>
Capesize	Australia	China	11.10	-0.35
(150,000 tons)	Queensland	Japan	12.80	-0.45
	New South Wales	South Korea	13.65	-0.45
Panamax	Richards Bay	India West	14.50	+0.20
(70,000 tons)	Kalimantan	India West	10.40	+0.40
	Richards Bay	India East	14.70	+0.20
	Kalimantan	India East	8.90	+0.40
	Australia	China	13.50	+0.25
	Australia	India	16.00	+0.50

(Source: Platts Coal Trader International – Date 24/08/2018)