



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

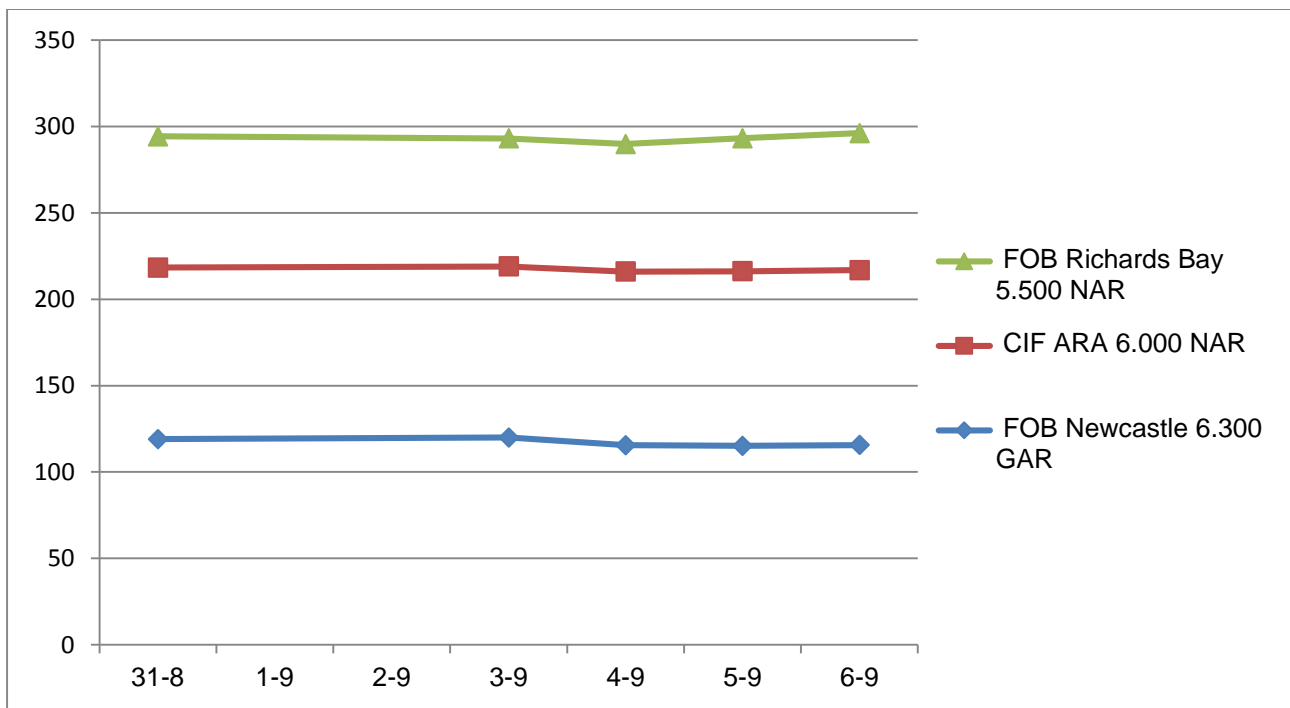
Date 10/09/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	115.60	+0.50	N/A	N/A
CIF ARA 6,000 NAR	101.20	+0.15	N/A	N/A
FOB Richards Bay 5,500 NAR	79.30	+2.30	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	74.50	-0.50
FOB Kalimantan 5,000 GAR	N/A	N/A	52.75	-0.75

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	46.30	+0.00	365.67	-0.16
PCC7 (CFR South China 4,700 NAR)	61.00	-0.75	481.76	-6.14
PCC8 (CFR South China 5,500 NAR)	76.50	+0.00	604.17	-0.27

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 06/09/2018)

NEWS

Bumi revised 2018 production target

Bumi Resources revised its 2018 coal output forecast to 88 million mt, from the initial target of 90 million mt due to disruptions on the back of heavy rain and shortage of equipment. “We lost production in Arutmin in June due to 2-2.5 weeks of heavy rains and flooding,” the first source said. Arutmin’s output for high CV coal in H1 stood at 1.3 million-1.4 million mt, and it is likely to increase to 4 million mt in H2, he added. As per the company’s estimates, by the end of year, Arutmin’s total production would stand at 28 million-30 million mt, while Kaltim’s output is likely to hit 57 million-58 million mt. “The Indonesian government has raised its initial coal production target from 380 million mt to 480 million mt. We want to increase our actual production too but we need equipment, and that is a challenge now,” he added.

Russia resumes coal exports via North Korea

Acting governor of the Primorsky Krai (the Far East region of Russia), Andrei Tarasenko stated that Russia has resumed coal supplies for export through the North Korean port Rajin, Interfax reports. “Today here [in Primorsky Krai], we have sent the first coal train to Rajin where we started to use their port facilities,” Tarasenko announced. He added that this route does not violate sanctions because there are no restrictions on the port infrastructure. Earlier, the Ambassador of Russia in Pyongyang, Alexander Matsegora stated that Seoul’s sanctions against North Korea are impeding the supply of Russian coal to South Korea through Rajin.

In September 2013, Russia and North Korea completed the reconstruction of the Hassan-Rajin railway section. The project included the construction of the terminal in Rajin port. The section was expected to become a part of the Trans-Korean railway and make it the shortest route from Asia-Pacific countries to Europe. At the end of 2013, the memorandum on cooperation in the project was signed by the Russian Railways state-owned corporation and a consortium of South Korean companies. In March 2016, South Korea withdrew from the project, imposing sanctions against North Korea.

Ukraine decreases coal production by 6.5% in Jan-Aug

Coal mining enterprises of Ukraine in January-August 2018 reduced extraction of coal by 6.5% (by 1.539 million tonnes) compared to the same period in 2017, to 22.068 million tonnes. The Ministry of Energy and Coal Industry told Interfax-Ukraine production of coking coal decreased by 9.8% (by 440,300 tonnes), to 4.068 million tonnes, steam coal by 5.8% (1.098 million tonnes), to 17.999 million tonnes. In August 2018 production of run-of-mine (ROM) coal grew by 15% compared to the same month in 2017, to 2.925 million tonnes.

Coal mining companies managed by the ministry for the eight months ending August 2018 reduced production by 10.3%, to 2.82 million tonnes, in particular production of coking coal was down by 44.9%, to 312,500 tonnes, steam coal decreased by 2.6%, to 2.507 million tonnes. The mines of Donetsk region for the eight months of this year provided production of 7.501 million tonnes of coal (5.7% less compared to January-August 2017), Luhansk region some 359,000 tonnes (down by 76.9%), Dnipropetrovsk region some 13.046 million tonnes (0.2% more), Lviv region some 1.088 million tonnes (10.5% up), and Volyn region some 73,900 tonnes (3.3% down).

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	10.00	+0.05
(150,000 tons)	Queensland	Japan	11.50	+0.05
	New South Wales	South Korea	12.35	+0.05
Panamax	Richards Bay	India West	14.10	+0.00
(70,000 tons)	Kalimantan	India West	9.80	+0.10

Richards Bay	India East	14.30	+0.00
Kalimantan	India East	8.25	+0.10
Australia	China	13.00	+0.15
Australia	India	14.60	+0.10

(Source: Platts Coal Trader International – Date 06/09/2018)