



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

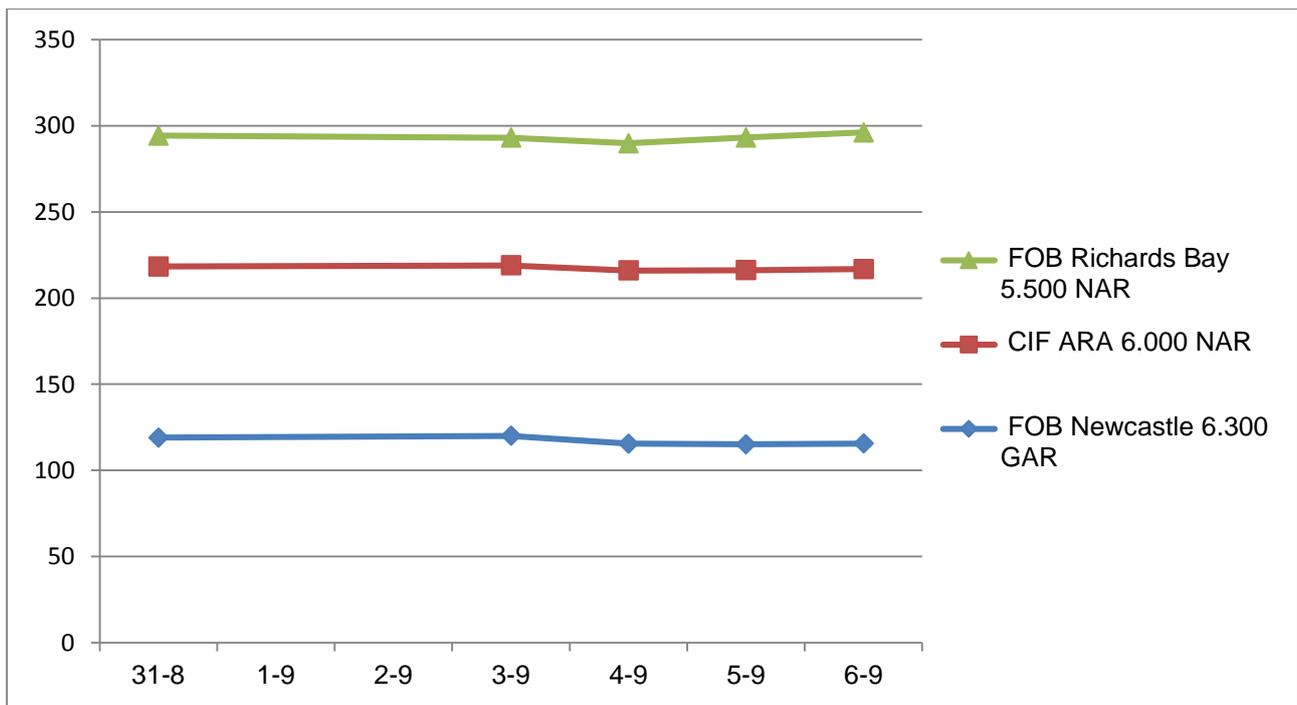
Date 11/09/2018

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

MC Mining to negotiate EPC package with Chinese group

Coal miner MC Mining has signed heads of agreements with Chinese construction group China Railway International Group (CRIG) to negotiate an engineering, procurement and construction (EPC) contract for the Makhado project, in Limpopo. Under the terms of the agreements, MC Mining and CRIG will negotiate a package that comprises the EPC for Makhado's coal handling and processing plant, financing for 85% of the EPC costs and contract mining operations.

This will be conditional upon the finalisation of terms and conditions by June 2019. These terms include completion of the Makhado project's front-end engineering and design study and agreement on the EPC contract price by both parties, as well as appropriate funding provided on acceptable terms. MC Mining reported on Thursday that offtake discussions for hard coking and export thermal coal production from Makhado were ongoing with various parties. Earlier in the week, the Limpopo Department of Economic Development and Tourism amended MC Mining's environmental authorisation, permitting the company to transfer coal by road instead of rail as originally scoped in the project.

Palmer plans power station for Galilee project

Mining personality and chairperson of Waratah Coal, Clive Palmer, has announced plans for the company to build a new A\$1.54-billion coal-fired power station in Queensland's Galilee basin. The proposed 700 MW high efficiency low emission ultra-supercritical power station would be established on the mining lease for Waratah Coal's Galilee coal project, near the Queensland township of Alpha. "I am putting my money where my mouth is by announcing this new station so we can power Queensland and help bring down energy costs which continue to escalate," Palmer said. "At full scale, the project will comprise two opencut and four underground mines, as well as supporting infrastructure, and will produce 40-million tonnes a year of high quality thermal coal for export markets.

"The Galilee power station will be developed as a contingent component of the overall project, providing the power needs for the mine operations, coal transportation and port operations, ready for export of coal to Gladstone and future power needs for our proposed North Galilee coal mine development," he said. Palmer said the project would bring considerable social and economic benefits for the region. "We anticipate a workforce of approximately 1 000 likely to be employed over the 36 to 42 month construction period, and up to 90 operational workforce to be required during the estimated 30-year power plant life," he said. Construction of the Galilee power station is planned to commence in June 2020 and to have a build period of three years for the first unit with the second unit being commissioned six months later. The commissioning and operations of the power station would be ready to provide power to the Galilee coal project during December 2023, allowing the coal project to deliver first coal to Gladstone during the first quarter of 2024. Waratah Coal is seeking an amendment to its draft Environmental Authority to include a 700 MW power station and associated transmission lines, coal handling facilities, ash containment facility and water storage facility.

Stanmore's FY revenue and profit surge

Coal miner Stanmore Coal has reported a surge in revenues and profit for the 2018 financial year, as coal prices increased. Revenue for the year ended June was up by 51%, to A\$208-million, while gross profits increased by 55%, to A\$52.29-million, Stanmore reported on Monday. Underlying earnings before interest, taxes, depreciation and amortisation increased by 70%, to A\$45.5-million, while profit after tax declined from A\$12-million reported in 2017, to A\$5.9-million. Stanmore in early June struck a A\$30-million deal with Peabody Australia to acquire the Wotong South coking coal deposit, which is located adjacent to Stanmore's Isaac Plains project, in Queensland. "There has been nothing more important than executing our strategy on the ground. Disciplined operational performance, capital light project development and acquisition coupled together with a significant

rehabilitation performance has proven the company’s ability to perform across the full cycle of resource development in a short period of time,” said Stanmore MD Dan Clifford.

Saleable coal production for the financial year reached 1.1-million tonnes, down from the 1.2-million tonnes produced in the previous financial year, while coal sales increased from just over 1-million tonnes to 1.3-million tonnes. The average sales price achieved during the full year also increased from A\$135.1/t to A\$144.8/t. Looking ahead, Stanmore expected coal production to reach 1.8-million tonnes in 2019, incorporating the transition to the Isaac Plains East operation. “The outlook for the company as our strategy is delivered, is compelling. Our infrastructure is in place, production is increasing by 50%, costs are reducing and we have a strong pipeline ahead of us as we take the infrastructure to full capacity,” said Clifford.

(Source: Platts)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

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)