



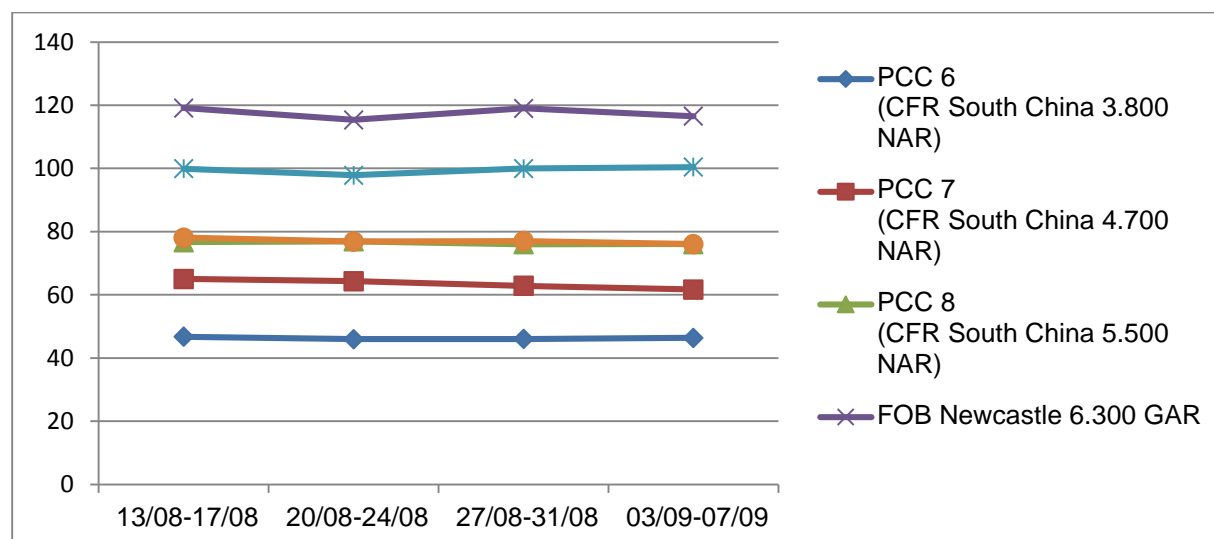
**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**WEEKLY NEWS – FIRST WEEK OF**  
**SEPTEMBER**  
 (From 03/09 – 07/09)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

*Unit: USD/ton*

Price index	Week 13/08-17/08	Week 20/08-24/08	Week 27/08-31/08	Week 03/09-07/09
<b>PCC 6</b> (CFR South China 3,800 NAR)	46.73	46.01	46.04	46.40
<b>PCC 7</b> (CFR South China 4,700 NAR)	65.05	64.31	62.85	61.69
<b>PCC 8</b> (CFR South China 5,500 NAR)	76.70	76.93	76.00	76.06
<b>FOB Newcastle 6,300 GAR</b>	119.11	115.39	119.03	116.55
<b>CIF ARA 6,000 NAR</b>	99.94	97.83	99.99	100.43
<b>FOB Richards Bay 6,000 NAR</b>	78.07	76.87	77.01	76.05
<b>NEWC</b> (FOB Newcastle 6,000 NAR)	117.68	117.39	118.73	114.48



*Chart 1: Average coal price week 1<sup>st</sup> September (2018)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1 <sup>st</sup> - September	03/09	04/09	05/09	06/09	07/09
<b>Capesize</b> (150,000 tons)						
1	Australia – China	10.60	10.35	9.95	10.00	N/A
2	Queensland – Japan	12.15	11.90	11.45	11.50	N/A
3	New South Wales – South Korea	13.00	12.75	12.30	12.35	N/A
<b>Panamax</b> (70,000 tons)						
1	Richards Bay - India West	14.15	14.10	14.10	14.10	N/A
2	Kalimantan - India West	9.70	9.70	9.70	9.80	N/A
3	Richards Bay - India East	14.35	14.30	14.30	14.30	N/A
4	Kalimantan - India East	8.15	8.15	8.15	8.25	N/A
5	Australia - China	12.85	12.85	12.85	13.00	N/A
6	Australia - India	14.60	14.50	14.50	14.60	N/A

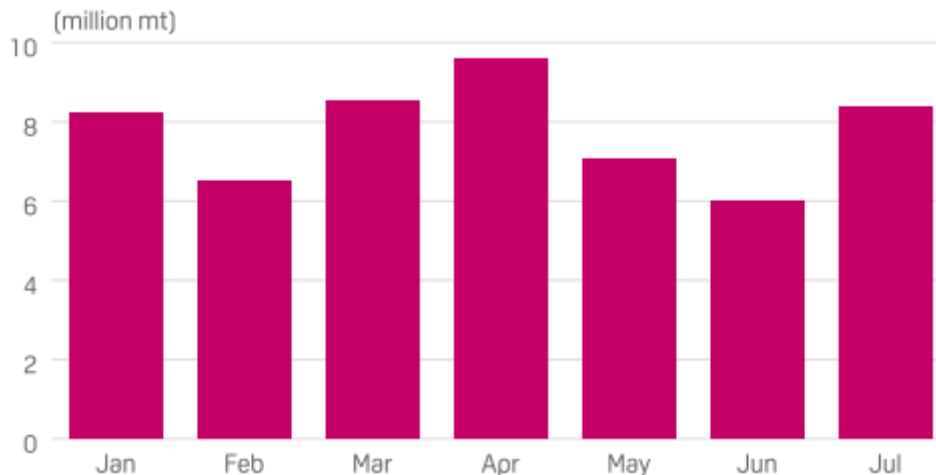
(Source: Platts Coal Trader International)

## II. NEWS

### Colombia exports 8.36 million mt coal in July

Colombia exported 8.36 million mt of coal in July, a 40% increase on the month and an 18% decrease on the year, national statistics agency data showed Tuesday. It was the highest monthly total since April's 9.58 million mt. Year-to-date exports were 54.23 million mt, down just 1% from the year ago period.

### Colombia coal exports 2018



The recovery in export volumes between June-July was not too surprising to market sources, as production at the country's largest mines was lower during the first six months of the year. Production at Glencore's Prodeco mine was 5.5 million mt, down 31% on the year, and production from Cerrejon, where Glencore has a joint ownership alongside BHP Billiton and Anglo American, was flat at 15.6 million mt, according to Glencore's half year production results. Production data was unavailable for the country's other major mine, run by the privately owned Drummond Company. Platts FOB Colombia 6,000 kcal/kg NAR price averaged \$93.44/mt during the month; the highest monthly average since January 2012, as key delivered markets of Turkey, Europe and Asia also saw record price levels in that time.

## Exxaro, Seriti said to mull bids for South32 coal assets

Exxaro Resources and Seriti Resources are among groups considering bidding for South32's South African thermal coal operations, which have been valued at almost \$800-million, according to people familiar with the matter. South32's South Africa Energy Coal unit, the country's third-biggest exporter of the fuel, was split into a standalone business earlier this year in preparation for a sale. South32 is soliciting expressions of interest for the assets and MTN Group chairperson Phuthuma Nhleko's Phembani Group is also considering an offer, said the people, who asked not to be identified because the information is not public. Potential bids may range from about R8-billion to R12-billion (\$790-million), the people said. The investment arm of non-profit group Mining Forum of South Africa said it plans to make an offer for a 30% stake.

South32's energy-coal business in South Africa has three operating mines, which produced almost 29-million metric tons of the fuel last year.

Phembani already controls 8 percent of the mines and may look to increase those stakes, according to the people. Exxaro may be interested in a bid as part of a consortium, the people said. Seriti bought coal mines and a large deposit from Anglo American earlier this year. The deal would give a potential buyers access to 18-million tons a year of export capacity, or more than a fifth of the total allocation at the Richard Bay Coal Terminal, according to a prospectus that lists Macquarie Group and Morgan Stanley as advisers on the sale process. Only shareholders have an automatic right to export through the terminal, which accounts for almost all of the country's coal-shipping capacity and is the largest on the continent. South Africa Energy Coal reported R1.4-billion of revenue for the 2018 fiscal year. It is also the third-largest supplier to Eskom.

## Bangladesh to be a new giant coal supplier

Keen to expand its footprint across the border, Coal India (CIL) has initiated talks with Barapukuria Coal Mining Company (BCMC), Bangladesh's sole coal producer, to help it explore coal mines as well as set up new projects. BCMC is a subsidiary of the Bangladesh government-owned Petrobangla, with extremely limited mining capability. However, the official said that CIL was not interested in participating in a tender to bag an exploration contract and would be interested only if BCMC signs up with Coal India on a nomination basis. Meanwhile, firms in the US, Germany, and Australia have bagged crucial exploration and feasibility contracts from Bangladesh. BCMC has signed a contract with US-based John T. Boyd Company together with a local partner for a feasibility study on extension of existing underground mining operation of Barapukuria coal mine towards the southern and the northern side of the basin. Another contract for a feasibility study for development of Dighipara coalfield at Dinajpur has been bagged by a consortium of German firms — MIBRAG Consulting International GmbH and FUGRO Consult GmbH, and Germany & Australia-based Runge Pincock Minarco.

## COAL RESERVES IN BANGLADESH

Coalfields	Reserves in million tonne
Jamalganj, Joypurhat district	5,450
Digipara, Dinajpur district	865
Khalaspir, Rangpur district	685
Fulbari, Dinajpur district	572
Barapukuria, Dinajpur district	390

Source: Barapukuria Coal Mining Company

China has been instrumental in the development of coal mining in Bangladesh although coal output usually hovers around 1.16 million tonne (mt) per annum despite the country possessing an estimated reserve of 7.96 billion tonnes. After bituminous coal was discovered in Bangladesh's Dinajpur in 1985, a construction contract under a supplier's credit of \$194.91 million was signed between China National Machinery Import & Export Corporation (CMC) and Petrobangla with a view to develop an underground mine and subsequently BCMC was set up. This mine, which has reserves of 390 mt, is Bangladesh's only active coal producing mine. In the past, Chinese contractors, appointed by BCMC, were able to dig out 5.5 mt of coal from this mine in a six-year timeframe. Besides, China has been training Bangladeshi engineers on mining technology. A Coal India official said that Bangladesh has traditionally been a coal importer and it was fed to industries like cement, brick and others, from undivided British India when coal used to be transported from Meghalaya. However, after partition, the route ended abruptly and Bangladesh was severely starved of coal. "This led Bangladesh to develop its power sector based primarily on gas and supported by heavy fuel oil (HFO) and high speed diesel (HSD)," the official said. According to Sustainable & Renewable Energy Development Authority (SREDA) in Bangladesh, coal-based electricity generation accounts for only 1.32 per cent of the total electricity production while gas-based plants account for 52.86 per cent of the total production. HFO and HSD accounts for 19.01 and 8.93 per cent respectively. However, the country has been focusing on developing thermal units and NTPC and other Chinese firms have taken a lead. In turn, the demand for thermal coal is expected to shoot up substantially in the coming years.

*(Source: Platts)*