



PETROVIETNAM POWER CORPORATION
PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY
WEEKLY NEWS – FIRST WEEK OF
OCTOBER
 (From 01/10 – 05/10)

I. COAL MARKET ANALYSIS

1. INTERNATIONAL COAL PRICE ASSESSMENTS

Unit: USD/ton

Price index	Week 10/09-14/09	Week 17/09-21/09	Week 24/09-28/09	Week 01/10-05/10
PCC 6 (CFR South China 3,800 NAR)	47.20	47.71	47.91	N/A
PCC 7 (CFR South China 4,700 NAR)	60.85	61.66	61.39	N/A
PCC 8 (CFR South China 5,500 NAR)	75.90	76.90	77.85	N/A
FOB Newcastle 6,300 GAR	115.72	112.58	113.03	114.19
CIF ARA 6,000 NAR	99.88	98.45	101.45	100.54
FOB Richards Bay 6,000 NAR	80.48	73.87	73.36	73.86
NEWC (FOB Newcastle 6,000 NAR)	115.74	113.01	113.58	N/A

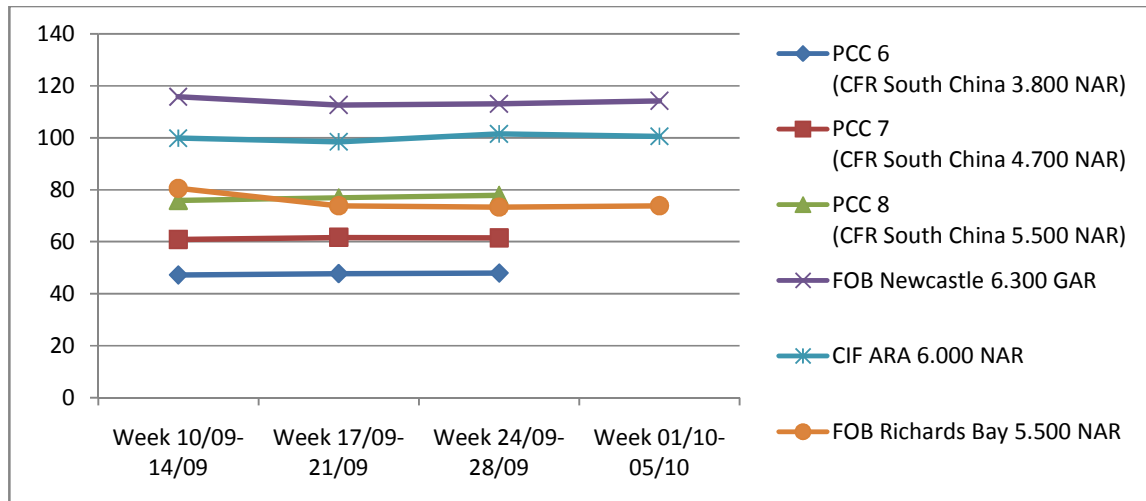


Chart 1: Average coal price 1st week of October(2018)

(Source: Platts Coal Trader International)

2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

	Week 1 st - October	01/10	02/10	03/10	04/10	05/10
	Capesize (150,000 tons)					
1	Australia – China	10.35	11.20	11.25	10.95	10.80
2	Queensland – Japan	11.90	12.95	13.00	12.65	12.50
3	New South Wales – South Korea	12.75	13.80	13.85	13.50	13.35
	Panamax (70,000 tons)					
1	Richards Bay - India West	14.65	14.65	14.75	14.65	15.00
2	Kalimantan - India West	11.05	10.90	11.15	11.00	11.25
3	Richards Bay - India East	14.85	14.85	14.95	14.85	15.20
4	Kalimantan - India East	9.30	9.15	9.40	9.30	9.50
5	Australia - China	14.50	14.50	14.60	14.30	14.75
6	Australia - India	16.50	16.50	16.60	16.40	16.75

(Source: Platts Coal Trader International)

II. NEWS

Indonesia sets Oct HBA thermal coal price at \$100.89/mt, down 3.7% on month

Indonesia's Ministry of Energy and Mineral Resources set its October thermal coal reference price, also known as Harga Batubara Acuan or HBA, at \$100.89/mt, down 3.7% month on month, but up 7.3% year on year. The ministry had set the price for September at \$104.81/mt, and for October 2017 at \$93.99/mt. The HBA is a monthly average price based 25% each on Platts Kalimantan 5,900 kcal/kg GAR assessments, Argus-Indonesia Coal Index 1 (6,500 kcal/kg GAR), Newcastle Export Index (6,322 kcal/kg GAR) and globalCOAL Newcastle (6,000 kcal/kg NAR).

In September, the daily Platts FOB Kalimantan 5,900 kcal/kg GAR coal assessment averaged \$73.32/mt, down from \$77.68/mt in August, while the daily 7-45 day Platts Newcastle FOB price for coal with a calorific value of 6,300 kcal/kg GAR averaged \$114.43/mt, down from \$118.29/mt in August. The HBA price for thermal coal is the basis for determining the prices of 77 Indonesian coal products and calculating the royalty producers have to pay for each metric ton of coal sold. It is based on 6,322 kcal/kg GAR coal with 8% total moisture content, 15% ash as received and 0.8% sulfur as received.

Ukrainian Jan-Sep coal imports down 20% on-year to 15.6 million mt

Ukraine increased imports of coal, including anthracite, by 20% on the year to 15.64 million mt in January-September from 13.03 million mt a year ago, the state customs service reported Monday. If measured by value, imports of coal increased by 15% to \$2.19 billion, compared with \$1.9 billion in January-September 2017, according to the customs service. Most of the coal imports, 62.7%, came from Russia, but also from the US (30.6%) and Canada (4%), according to the service. In September, Ukraine imported 1.48 million mt of coal, down from 1.81 million mt in September 2017, but up from 1.27 million mt in August.

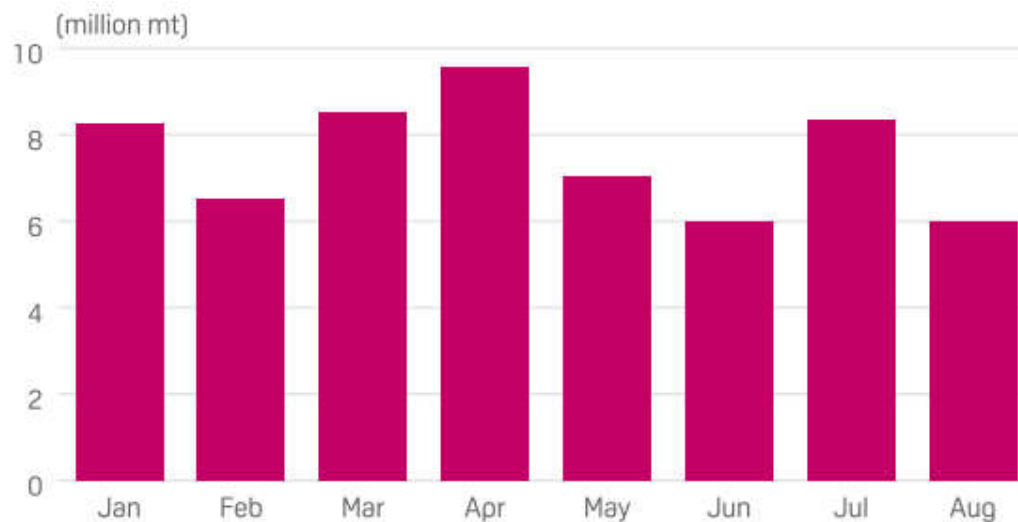
Ukraine increased coal imports amid declining domestic production, according to the energy and coal industry ministry. The country extracted 24.85 million mt of coal in January-September, down 5% year-on-year from the 26.15 million mt produced a year ago. Ukraine's thermal power plants and heat producers accumulated 1.89 million mt of coal in stocks as of October 8, up 22% from 1.55 million mt stashed as of October 8, 2017, according to the ministry. The government

earlier this year set a target to accumulate 2.6 million mt of coal by November 1 in stocks for the upcoming high-demand season.

Colombian Aug coal exports down 32% on year at 6 mil mt

Colombia exported 6 million mt of total coal in August, a drop of 28.5% from the prior month and 32% on year, national statistics agency data (DANE) showed Monday. The average S&P Global Platts FOB Colombia 6,000 kcal/kg NAR, 90-day price for August was \$90.10/mt, down \$3.34 from July. Producers increased their offers during the first half of the year as supply tightened due to periods of adverse weather. However, sliding CIF ARA prices in July meant demand for Colombian coal for August/September delivery was weak from key markets like Europe.

Tight supply would have restricted volumes for export at the start of H2, which has continued to be a problem with sources reporting no spot availability of thermal coal for the fourth quarter. Alongside a closing arbitrage to Europe, Asian prices also took a downward turn in July with the Platts North East Asia Thermal coal price falling \$15.01 over the course of the month to \$86.89/mt, which would have also reduced the opportunity for Colombian coal for August/September delivery to price into Asia. Other key markets such as Turkey also experienced reduced demand as a sliding lira/dollar exchange rate reduced import demand for thermal coal over the summer months.



(Source: Platts)