



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

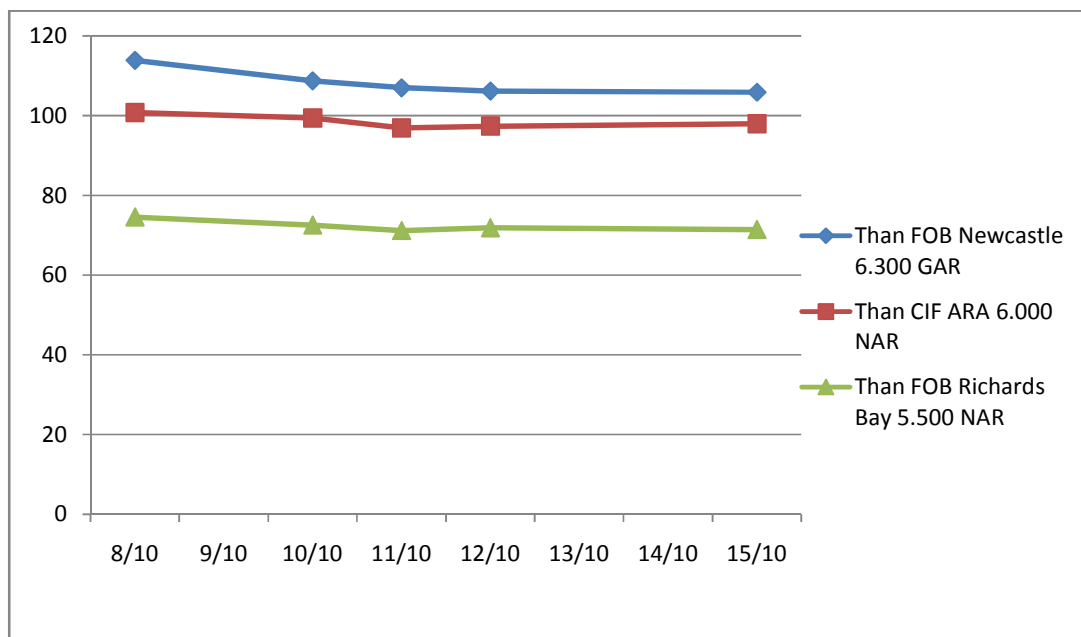
Date 24/10/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	105.90	-0.30	N/A	N/A
CIF ARA 6,000 NAR	98.00	+0.60	N/A	N/A
FOB Richards Bay 5,500 NAR	71.40	-0.45	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	72.50	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	53.00	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	48.50	+0.00	334.51	-0.02
PCC7 (CFR South China 4,700 NAR)	62.50	+0.00	388.03	-0.02
PCC8 (CFR South China 5,500 NAR)	77.50	+0.00	534.52	-0.04

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International –Date 15/10/2018)

Whitehaven production dip

Coalminer Whitehaven Coal has reported a 37% drop in production during the September quarter, compared with the previous corresponding period, reflecting a longwall change-out at the Narrabri operation. Managed run-of-mine (RoM) production reached 3.61-million tonnes in the three months to September, down from the 5.73-million tonnes in the same period of 2017, while managed saleable coal production decreased from 5.87-million tonnes to 3.98-million tonnes. The Narrabri operation produced 550.00 ton of RoM coal during the quarter, with saleable production from the mine reaching 709 000 ton. Production from the Narrabri mine is currently ramping up, Whitehaven said on Tuesday, as the change out was successfully completed in mid-September. The Gunnedah opencut mines produced 800.000 ton RoM coal and saleable production reached 1.27-million tonnes, while the Maules Creek mine delivered 2.26-million tonnes RoM production, and 1.98-million tonnes of saleable production. Whitehaven has maintained its saleable coal production guidance for the full year of between 22-million and 23-million tonnes. Meanwhile, coal sales during the quarter reached 4.8-million tonnes for the quarter, down 20% on the 6.08-million tonnes sold in the previous corresponding period.

India's Coal Ministry passes strictures on Coal India

Passing strident strictures on Coal India Limited (CIL) for failing to effectively review production and supplies, the Coal Ministry has directed the miner to immediately start liquidating coal stockpiles to mitigate shortages at power plants across the country. The Coal Ministry, in a rare, strongly worded rebuke of the miner, said that despite the end of the rainy season and despite repeated reminders, CIL had not been able to step up production or offtake to desired levels. In the communication, the Ministry directly blamed CIL's top management for not regularly monitoring production planning, mine production and supplies to thermal powerplants, which had led to a steady fall in fuel stocks at thermal power plant sites, far below the normative stock levels determined by the Central Electricity Authority. According to data sourced from the Power Ministry, coal stocks at thermal power plants this month had fallen to ten days consumption, with at least ten thermal power plants having nil coal stocks, against a normative stock level of 25 day consumption equivalent. Under the circumstances, the Ministry has directed that CIL take immediate steps to increase supplies by liquidating at least ten-million tons of coal by the end of October, from its existing stockpile estimated to be between 25-million tons and 30-million tons. The Ministry expressed concern over the fact that while power plants were starved of dry fuel with some even being forced to shut generation, CIL was carrying large coal stockpiles that could be liquidated through more efficient offtake and logistical management, even if the miner was unable to step up production in the short term.

Officials said that consultations were held last week between the coal and power Ministries over concern at the rising price of electricity in the spot market and falling plant utilisation factor of thermal plants at a time when demand for electricity was set to rise, with the string of festivals across the country over the next month. Putting the onus on CIL, the Coal Ministry said that besides a lack of efficient review, CIL management was also found lacking regarding management of key projects, such as coal handling plants, and delays in floating tenders for the construction of such projects. It suggested that CIL take immediate steps including financial penalties in cases where contractors were found responsible for time and cost over-runs in completing key coal infrastructure projects.

However, key Ministry officials said that neither the government, nor the miner had many options to tackle the situation besides looking at stockpile liquidation to mitigate the supply shortage to the power sector. Acknowledging that stockpile liquidation could only be a one-off short-term measure since CIL was not in a position to increase production over the next few months, the government was reconciling to the fact that thermal coal imports would increase over the rest of current financial year. In view of current domestic coal availability, a section of analysts have revised the coal import forecast upwards to about 164-million tons by the end of current financial year, against an earlier estimate of 158-million tons at the start of 2018/19.

South African coal, CIF ARA futures all lower

South African prices softened Monday, largely driven by a declining financial 6,000 kcal/kg NAR market — the main pricing mechanism for physical South African coal — as spot demand remained almost nonexistent. Platts assessed the physical 5,500 kcal/kg NAR price at \$71.40/mt FOB Richards Bay, 45 cents lower day on day. CIF ARA thermal coal futures opened higher and traded within a range for most of the day before falling in last hour's trade. This followed the pattern of the wider European complex, particularly German power, gas and carbon prices. The Cal-19 was assessed at \$94.85/mt, down 30 cents day on day.

(Source: www.platts.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Size	From	To	Freight rates	Change	<i>Unit: USD/ton</i>
Capesize (150,000 tons)	Australia	China	11.20	-0.10	
	Queensland	Japan	12.95	-0.10	
	New South Wales	South Korea	13.80	-0.10	
Panamax (70,000 tons)	Richards Bay	India West	15.50	+0.20	
	Kalimantan	India West	11.35	+0.00	
	Richards Bay	India East	15.80	+0.20	
	Kalimantan	India East	9.55	+0.00	
	Australia	China	14.75	+0.00	
	Australia	India	16.60	+0.00	

(Source: Platts Coal Trader International –Date 15/10/2018)