



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

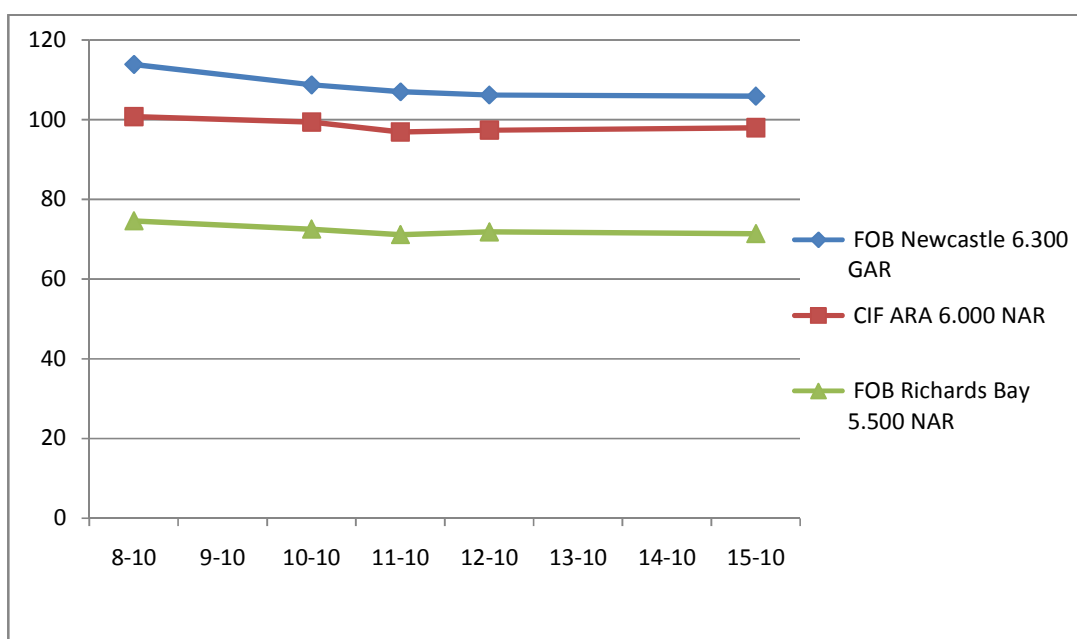
Date 29/10/2018

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)

NEWS

Australian coal miner TerraCom recruits new CEO from Mineral

Australia-listed TerraCom said Wednesday it has appointed Mineral Resources' chief operating officer Danny McCarthy as its new chief executive officer. "McCarthy is a highly experienced mining executive having held senior roles with Thiess, Wesfarmers and QCoal and has a proven record of accomplishment of delivering exceptional results over 22 years in the resources sector," TerraCom said in a statement. He will move to central Queensland, where TerraCom's Blair Athol thermal coal mine is located, from Perth in December, it added. "The Blair Athol Mine has very successfully re-opened and will sell approximately 2.5 million mt of coal in the 2019 financial year. The company is confident that the management structure is now in place for Danny to lead the company through its next growth phase," TerraCom chairman Wal King said in the statement. TerraCom also owns the Baruun Noyon Uul metallurgical coal mine in Mongolia, where production is slated to rise to 3 million mt/year from next fiscal year from realized output of 924,073 mt in fiscal 2017-18 (July-June).

Surging Q4 LNG demand in China may hurt seaborne thermal coal

Chinese demand for seaborne thermal coal appears to be in doldrums in the seasonally strong fourth quarter as the country strives to plan better to make supply of LNG smoother than last year. China's National Development and Reform Commission said earlier this week that supply and demand of natural gas would be in "tight balance" this year but assured it would be sufficient for residential use. During a press conference, the NDRC spokesperson said the country has "ensured natural gas supply of 263.5 billion cubic meters this year, up 24.9 Bcm [or 11%] from last year, with some 100 newly opened gas storage projects expected to reach a storage capacity of 16 Bcm, 3.5 Bcm more than in 2017."

In a bid to curb pollution, China last year rolled out an ambitious plan to ban the use of coal for heating in its "coal to natural gas conversion" project last winter. However, LNG supplies fell short and the country had to revert to coal earlier than expected in 2018, after millions of people were reportedly left without proper heating due to a colder-than-expected winter. "To prepare for this winter peak demand given continued 'coal-to-gas' switching, China lifted both LNG and pipeline gas imports," Citi analysts said in a research note. "We expect China's LNG imports to increase 15 Bcm in 2018 from a total of 52 Bcm in 2017," the analysts noted.

No relaxation in coal imports

With power plants sufficiently prepared, China-based thermal coal market sources said they do not expect a heating crisis this year. As such, they added it is unlikely to see a strong surge in demand for thermal coal or a relaxation of the import restriction on the product. Early this month, the NDRC had hinted that there would be no change in the import policy for thermal coal during a meeting with several major Chinese power plants. This was widely seen as a way for the Chinese government to encourage the use of domestic coal. Seaborne thermal coal prices have slumped in the past few months as buyers refrained from fresh seaborne cargo purchasing amid the implementation of the quota system for imports at Chinese ports. China's September thermal coal imports fell 10% year on year and 20% month on month as domestic thermal power generation slowed. The price of FOB Kalimantan 4,200 GAR, a popular grade bought by consumers across Asia, has slumped nearly 21% so far this year to be assessed at \$37.50/mt by S&P Global Platts Thursday.

(Source: www.platts.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
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 –Date15/10/2018)