



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

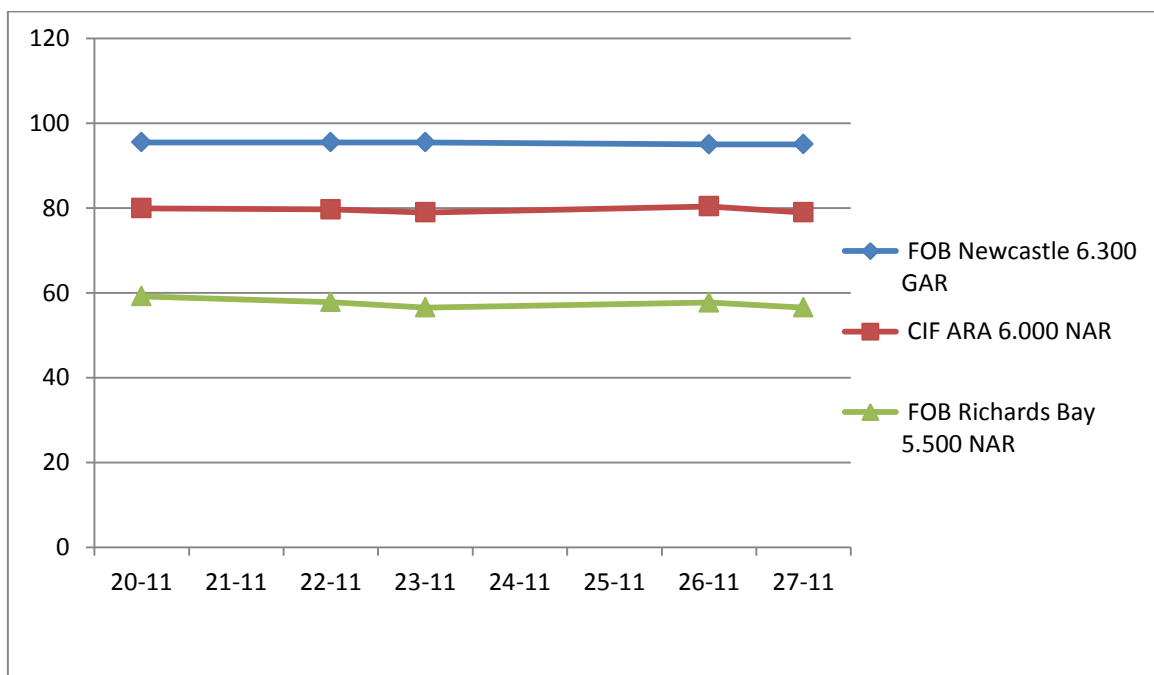
Date 07/12/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	95.65	+0.65	N/A	N/A
CIF ARA 6,000 NAR	82.15	+1.75	N/A	N/A
FOB Richards Bay 5,500 NAR	60.25	+2.55	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	67.75	-0.25
FOB Kalimantan 5,000 GAR	N/A	N/A	47.00	-0.30

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	35.50	-0.50	245.73	-3.03
PCC7 (CFR South China 4,700 NAR)	54.00	-0.50	373.78	-2.81
PCC8 (CFR South China 5,500 NAR)	69.00	-0.20	477.61	-0.56

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 27/11/2018)

NEWS

Almost half of coal power plants seen unprofitable to operate

The surge in coal prices in the past three years is cutting into the profitability of power stations that burn the fuel, a prominent forecaster said. About 42% of the world's coal generation capacity is losing money, according to Carbon Tracker, an energy researcher that advocates for climate protection. That proportion will rise to 56% by 2030, said Matthew Gray, a senior utilities and power analyst at the consultant. While coal prices are forecast to fall 13% by the end of the next decade, the cost of emitting carbon dioxide is set to double in Europe and is forecast to jump in China, which is introducing an emissions trading market. Those factors will make the cost of polluting higher than the income most of the plants can generate, the researcher said. Other big causes of the losses at coal plants are rules designed to limit air pollution as well as competition from wind and solar generation. Carbon Tracker's analysis assumes existing rules stay constant. It doesn't assume a big increase in other climate measures.

Demand for coal rose for the first time in two years in 2017, with China and India burning more than anyone else in a blow for environmental groups hoping to limit use of the dirtiest fossil fuel. The International Energy Agency's annual World Energy Outlook published earlier this month indicates coal will remain a key fuel to provide heat and light through 2040. Coal will help drive economic development in emerging nations and its future is secure for "decades to come" as energy demand increases by 25% by 2040, industry group the World Coal Association said on Nov. 13.

"The Chinese are actually ramping up plans to build more coal," Gray said by phone. Nations with regulated markets -- where there's little competition -- may be left with higher energy costs if they follow China's lead, angering consumers, he said. In countries where there's open competition in energy markets, including the EU and the US, investors in coal generation may end up holding low-value assets, Gray said. The new analysis will help "challenge the valuation assumptions for coal-fired power."

CCI dismisses complaints against Coal India

The Competition Commission of India (CCI) has dismissed Hindustan Zinc Limited's (HZL's) complaint against State-run Coal India Limited (CIL) for alleged unfair trade practices in coal supplies. The Vedanta Resources subsidiary said in its complaint filed before the CCI that CIL and its operational subsidiary, Western Coalfields Limited (WCL), were abusing their dominant position as the country's largest coal miner and that they were acting in a discriminatory manner by incorporating unfair terms and conditions in fuel supply agreements (FSAs). The complaint was based on allegations of violation of Section 4 of the Competition Act by CIL and its subsidiary WCL.

CCI in its order issued on Monday said that the complaint was not tenable as similar complaints made against CIL by other complainants had been dismissed by the commission, which in those cases, had held that the miner had not abused its dominant position as a coal miner and supplier. HZL also complained about issues of sampling procedures, grade determination and misdeclaration of grades, but CCI stated that these issues had already been addressed and that the necessary directives had been issued.

Last year, the CCI directed CIL to make changes in FSAs with its consumers, laying down sampling guidelines stipulations on the testing of consignments of coal supplied. CCI said that, "no investigations need to be ordered against CIL since information brought before it by HZL has already been addressed in the course of hearing complaints by other coal consumers and hence the case stands disposed".

(Source: www.platts.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

				<i>Unit: USD/ton</i>
Size	From	To	Freight rates	Change
Capesize	Australia	China	10.35	+0.75

(150.000 tons)	Queensland	Japan	11.90	+0.90
	New South Wales	South Korea	12.75	+0.90
Panamax	Richards Bay	India West	12.75	-0.05
(70.000 tons)	Kalimantan	India West	8.50	+0.15
	Richards Bay	India East	12.95	-0.05
	Kalimantan	India East	7.05	+0.15
	Australia	China	12.10	+0.55
	Australia	India	13.60	+0.55

(Source: *Platts Coal Trader International* – Date 27/11/2018)