



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

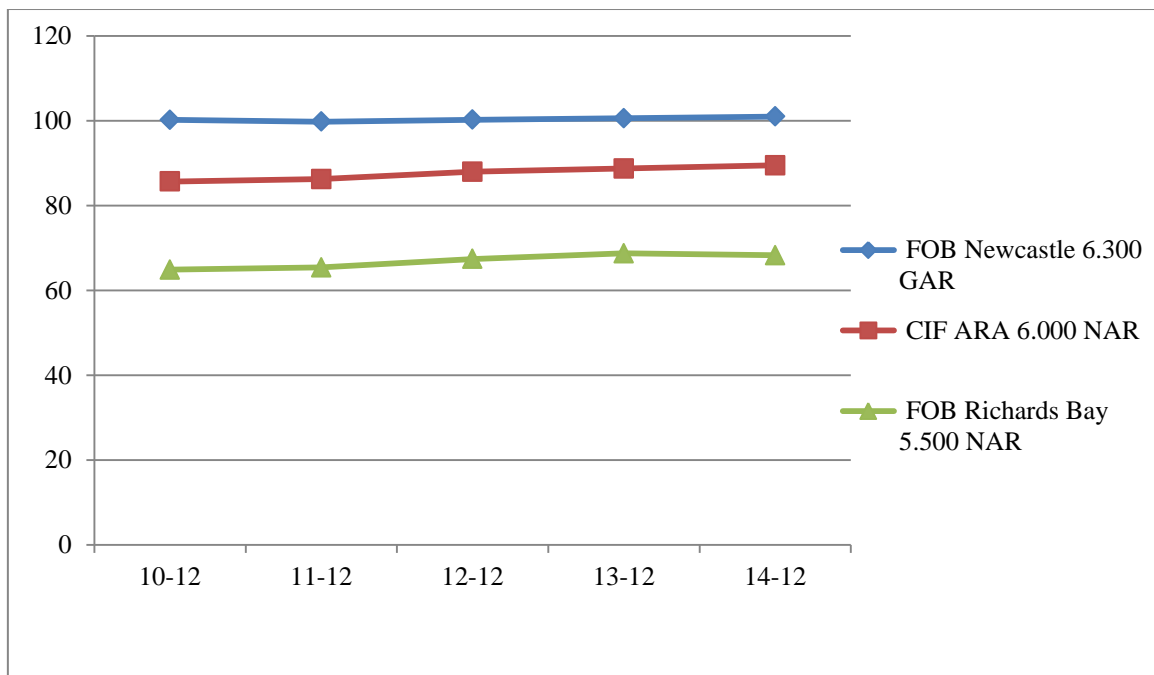
Date 27/12/2018

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	101.00	+0.65	N/A	N/A
CIF ARA 6,000 NAR	89.50	+1.75	N/A	N/A
FOB Richards Bay 5,500 NAR	68.30	+2.55	N/A	N/A
FOB Kalimantan 5,900 GAR	N/A	N/A	68.10	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	46.40	+0.00

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	38.30	+0.00	263.34	+1.11
PCC7 (CFR South China 4,700 NAR)	54.30	+0.00	373.35	+1.57
PCC8 (CFR South China 5,500 NAR)	72.70	+0.00	499.86	+2.10

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2018



(Source: Platts Coal Trader International – Date 14/12/2018)

NEWS

Chinese bank to loan \$262mln for Thar coal power project

China Development Bank has agreed to extend \$262 million in financing to set up a local coal-fired power plant in Thar, an amount which is more than half of the estimated cost of the 330 megawatts project. The bank signed the financing agreement with equity partners of Thar Energy Limited (TEL), a company set up for coal power projects, a statement said on Friday. "The Hub Power Company Limited (Hubco) along with other equity partners has signed financing documents for its 330MW Thar Energy Limited power project during joint coordination committee meeting held in Beijing on December 20, 2018," Hubco said in a filing with the Pakistan Stock Exchange. "The company has engaged China Development Bank as the lead arranger for the foreign financing from China and Habib Bank Limited as the lead arranger for the local financing." The project cost was estimated at \$498 million, based on the debt and equity of 75 and 25 percent, respectively.

Hubco established TEL by partnering with Fauji Fertilizer Company Ltd and China Machinery Engineering Corporation (CMEC) to set up 330MW mine-mouth lignite-fired power plant, one of the first power projects to utilise the local lignite at Thar coal Block-II for power generation. The company signed a shareholders' agreement with Fauji Fertilizer Company Limited and CMEC TEL Power Investments Limited for equity investment of 30 percent and 10 percent, respectively, in the project. TEL is a part of the larger 1,320 megawatts (four 330MW power plants) integrated-mining and power plant plan under the China Pakistan Economic Corridor (CPEC) program – more than \$50 billion worth of projects envisaged by China to connect its western province with Gwadar port. Thar Energy Limited signed engineering procurement and construction contract for the first coal power project with CMEC, which has started preliminary activities on the site to expedite the project construction and achieve the commercial operation date during the first half of 2021.

Thar desert in Sindh possesses the country's biggest coal reserves of 185 billion tons. In 1991, the Geological Survey of Pakistan and the United States Agency for International Development discovered the reserves. The quality of lignite in Thar is highly suitable for power generation, according to studies. The Hub Power Company Limited currently produces 1,600 megawatts through its three power plants in Hub, Narowal and Azad Kashmir, roughly generating eight percent of the total power generation in the country. The company is the only power producer in Pakistan with two upcoming projects listed in the CPEC: imported coal-based China Power Hub Generation Company (Private) Limited in Hub and TEL.

China to impose monthly coal import controls

China will likely impose monthly import controls as its top economic planning body, the National Development and Reform Commission, looks set to apply a firmer grip on imported coal volumes in 2019, sources said Thursday. NDRC to firmly control imports. Jan-Nov coal import volumes higher than all of 2017. At a meeting of the NDRC this week, officials discussed the country's supply and demand situation for coking and thermal coal, and highlighted the need to "firmly control imports," several market sources in China said. This would entail controlling import volumes not only on an annual basis but on a monthly basis too.

Market sources said it would be easier to manage total import volumes by introducing a monthly quota system. According to customs data, China imported 271.19 million mt of coal over January to November. This exceeded the total volume of 270.9 million mt for the whole of last year. The NDRC could not be reached for comment. A China-based source said some details on import controls for next year are yet to be finalized, but the meeting would likely set the direction of imports for next year. The agency also urged domestic coal producers to increase production of domestic coal, with output in 2019 to increase by about 100 million mt, according to sources. The NDRC also stressed that a "rapid decline in [domestic coal] prices should be prevented."

Rescue operation underway at coal mine in East Jaintia Hills

Two weeks on, 13 miners remain trapped in a local mine in East Jaintia Hills of Shilong. The attempts by the rescuers to reach them have yielded no success so far. High water level is proving to be the main obstacle in the rescue efforts, officials said. The miners, on December 13, got trapped

in an illegal coal mine at Ksan in Saipung area of the Meghalaya's East Jaintia hills after it collapsed and got flooded by the adjacent Lytein River. The personnel from National Disaster Response Force (NDRF), the State Disaster Response Force (SDRF) and the police have been making attempts each day to reach the trapped miners but without any success. NDRF Assistant Commandant Santosh Kumar Singh said that a "slight foul smell" is emanating from the water surface and it is difficult to withstand for long. The attempt to reach the trapped miners will continue, he added. Meghalaya Chief Minister Conrad Sangma said the rescue teams have been facing challenges in evacuating the trapped miners.

(Source: www.spglobal.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

<i>Unit: USD/ton</i>				
Size	From	To	Freight rates	Change
Capesize (150.000 tons)	Australia	China	10.60	+0.45
	Queensland	Japan	12.20	+0.55
	New South Wales	South Korea	13.05	+0.55
Panamax (70.000 tons)	Richards Bay	India West	12.70	-0.05
	Kalimantan	India West	8.80	+0.15
	Richards Bay	India East	12.90	+0.10
	Kalimantan	India East	7.40	+0.00
	Australia	China	12.15	+0.05
	Australia	India	13.15	+0.25

(Source: *Platts Coal Trader International* – Date 14/12/2018)