PETROVIETNAM POWER CORPORATION

PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY

DAILY NEWS

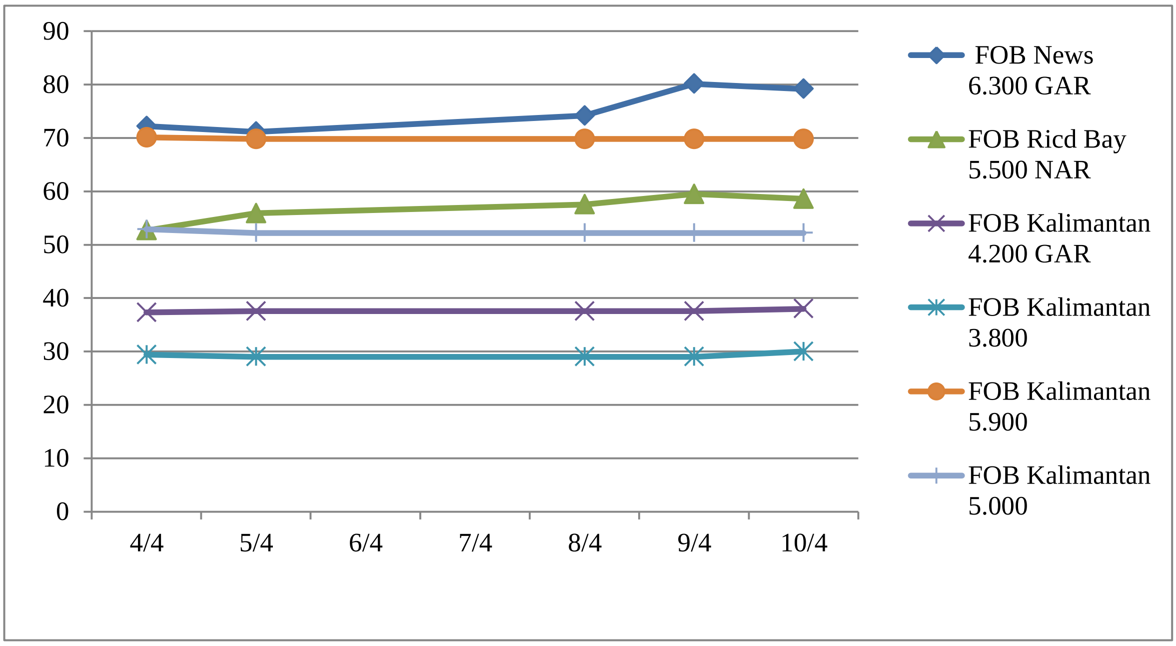
Date 19/4/2019

INTERNATIONAL COAL PRICE ASSESSMENTS

Daily prompt physical thermal coal assessments	Window 7 – 45 day	+/-	Window 90 - day	+/-
FOB Newcastle 6,300 GAR	91.10	+1,60	N/A	N/A
FOB Richards Bay 5.500 NAR	59.00	+1,50	N/A	N/A
FOB Kalimantan 5.900 GAR	N/A	N/A	71,75	+0.00
FOB Kalimantan 5,000 GAR	N/A	N/A	56,25	+0.00
FOB Kalimantan 4,200 GAR	37.90	+0,25	N/A	N/A
FOB Kalimantan 3.800 GAR	29.40	+0,15	N/A	N/A

China Coal Assessment	USD/tons	+/-	NDT/tons	+/-
PCC6 (CFR South China 3,800 NAR)	47.25	-0,25	315.84	-2.29
PCC7 (CFR South China 4,700 NAR)	63.75	+0,10	426.13	-0.84
PCC8 (CFR South China 5,500 NAR)	67.50	+1.50	451.19	-10.94

DAILY PROMPT PHYSICAL THERMAL COAL ASSESSMENTS IN 2019



(Source: Platts Coal Trader International – Date 10/4/2019)

NEWS

Australian Aurizon's Jan-Mar coal railings rise 4% on year despite strikes, derailment

Australian rail operator Aurizon said Wednesday its volumes of coal rose 4% year on year over January-March due to the start of railings from MACH Energy's Mount Pleasant mine and strong customer demand, offset by disruptions due to industrial action, severe weather and a derailment. Aurizon's above rail coal volumes totaled 51.7 million mt in the March quarter, up from 49.9 million mt the year before and down 5% from October-December, the company said in a quarterly report. Its operations across New South Wales and southeast Queensland contributed 15.4 million mt of the total, up 9% on year and down 3% from the December quarter. Its Central Queensland Coal Network contributed 36.4 million mt, up 2% on year and down 5% from the December quarter.

The CQCN saw strong customer demand in the quarter but a dispute over an enterprise agreement led to regular strikes early in the year, while severe weather and a derailment at the Darlymple Bay Coal Terminal also crimped volumes, Aurizon said in the report. The 10.5 million mt/year Mount Pleasant thermal coal project in New South Wales began railings in early 2019, and contributed to coal rail volumes in New South Wales reaching a record high in March, it added.

Chinese buyers turn to 'super cheap' Colombian coal as Australian restrictions persist

Colombian thermal coal is proving attractive to Chinese buyers, who are picking up "super cheap" offers from producers and traders with around 1 million to 1.35 million mt of coal on its way to China from the South American exporter, plus additional cargoes to northeast Asian countries including South Korea, market sources said Thursday. June-arrival Capesize cargoes of Colombian thermal coal are trading at $65/mt CFR China on a 5,500 kcal/kg NAR basis, which is cheaper than equivalent grade Australian cargoes priced at $68/mt, sources said. One Chinese trader is understood to have booked three Colombian cargoes for June arrival, adding up to nearly 500,000 mt, said sources. "There is 1 million mt of Colombian coal on its way to China," said one market source. A fixture was heard Thursday at $19.25/mt for a 150,000 dwt Capesize ship sailing from Puerto Bolivar in H2 April to Qingdao port in China, according to freight sources. This indicates a netback price of $45.75/mt FOB for Colombian thermal coal shipped to China, on a 5,500 kcal/kg NAR price basis, according to S&P Global Platts calculations. Colombian thermal coal is subject to a 6% import tax on its delivered price at Chinese ports, which equates to around $3.90/mt currently, on top of $65/mt CFR China.

Chinese thermal coal buyers have been searching for an alternative to Australian thermal coal, which has been impacted by delays in terms of customs clearance at ports in China. One market source estimated that about 4 million mt of Australian thermal coal was waiting to enter Chinese ports in May and June. There is a widespread expectation in the seaborne market that China is likely to lift its restrictions on Australian coal shipments at the end of May, though official sources have yet to confirm this

Financing of Vietnam coal plants will be the last

Oversea-Chinese Banking Corp, Southeast Asia's second-largest lender, said two Vietnamese coal-fired power plants will be the last it finances as it increases funding for renewable projects. "We won't do any new coal-fired power generation plants in any countries, except for the power projects that we are already in, or we have committed to," chief executive officer Samuel Tsien said in an interview at its Singapore headquarters on Monday. "We hope that by doing this, we are encouraging the governments to do facilitating, arrangements for the countries to move from coal to renewable." At least 100 major lenders have put restrictions in the past five years on mines that produce coal and power plants that burn it, according to a February report from the Institute for Energy Economics & Financial Analysis. Their decisions reflect the rising recognition of coal's role in climate change, and the potential for the fuel and facilities that rely on it to become obsolete before investments in them are paid off.

OCBC can't backtrack from its earlier commitment to two projects in Vietnam, said Mr Tsien, who declined to identify the developments. OCBC was among lenders for the 1.2 gigawatt Nghi Son 2 power station in Vietnam, The Straits Times reported in April last year. The lender also co-funds the Van Phong 1 project, according to Market Forces, a climate advocacy group. The bank, which decided on the financing strategy this quarter, hasn't engaged in discussions on coal-fired power plants over the last two years, according to Mr Tsien. Meanwhile, OCBC is stepping up efforts to finance renewable energy projects, an area the bank sees as a profitable business, Mr Tsien said. It's currently funding more than 20 solar farms in Malaysia, as well as wind projects in Australia and Taiwan. Falling costs for renewable energy mean that building new solar plants may become cheaper than continuing to operate existing coal projects by 2027 in Vietnam, 2028 in Indonesia and 2029 in the Philippines, according to an October study by Carbon Tracker, a London-based non-profit think tank funded by several groups and charities, including Bloomberg Philanthropies. Renewable generation capacity will rise to about 100 gigawatts in Southeast Asia in 20 years from 8 gigawatts currently, consultancy Wood Mackenzie Ltd said in October. OCBC understands its financing policies can be "a counterweight against which we can encourage the countries to go for renewable energies," Mr Tsien said.

(Source: www.spglobal.com)

INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

Size	From	To	Freight rates	Change
Capesize	Australia	China	6.05	+0.10
(150.000 tons)	Queensland	Japan	6.65	+0.15
	New South Wales	South Korea	7.50	+0.15
Panamax	Richards Bay	India West	11.90	+0.00
(70.000 tons)	Kalimantan	India West	6.15	-0.10
	Richards Bay	India East	11.90	+0.00
	Kalimantan	India East	6.15	-0.10
	Australia	China	10.55	+0.00
	Australia	India	11.90	+0.00

(Source: Platts Coal Trader International – Date 10/04/2019)