



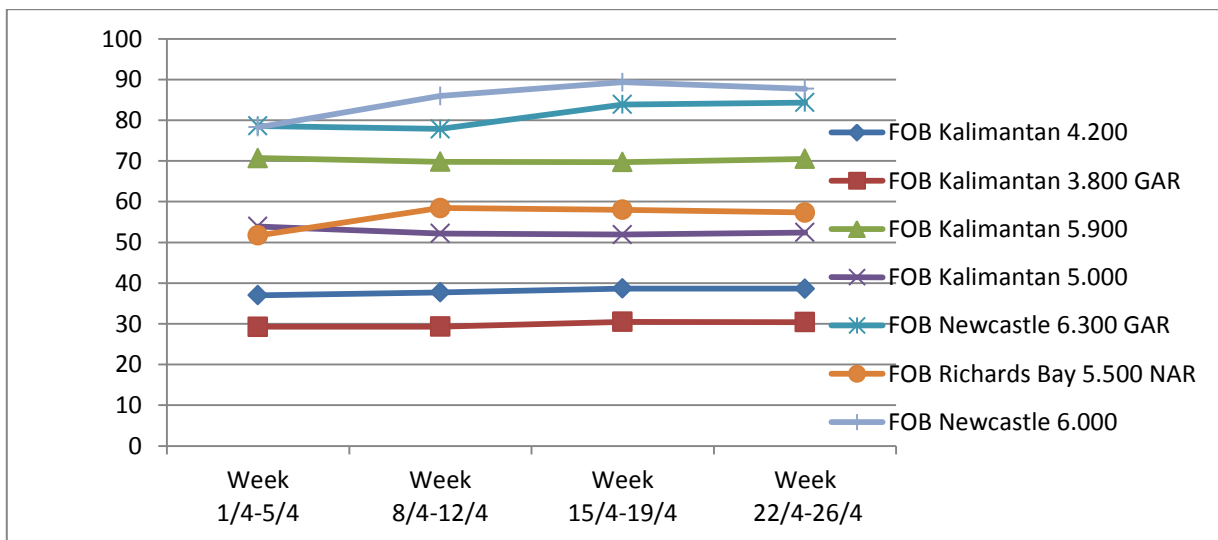
**PETROVIETNAM POWER CORPORATION**  
**PETROVIETNAM POWER COAL IMPORT AND SUPPLY COMPANY**  
**MONTHLY NEWS – April**  
 (From 01/4 – 30/4/2019)

**I. COAL MARKET ANALYSIS**

**1. INTERNATIONAL COAL PRICE ASSESSMENTS**

| Price index                      | Week<br>01/4-05/4 | Week<br>08/04-<br>12/04 | Week<br>15/04-<br>19/04 | Week<br>22/4-26/4 |
|----------------------------------|-------------------|-------------------------|-------------------------|-------------------|
| FOB Kalimantan 4,200 GAR         | 37                | 37.7                    | 38.65                   | 38.62             |
| FOB Kalimantan 3,800 GAR         | 29.25             | 29.3                    | 30.50                   | 30.41             |
| FOB Kalimantan 5,900 GAR         | 70.7              | 69.80                   | 69.70                   | 70.5              |
| FOB Kalimantan 5,000 GAR         | 53.9              | 52.20                   | 51.90                   | 52.42             |
| FOB Newcastle 6,300 GAR          | 78.6              | 77.85                   | 83.88                   | 84.33             |
| FOB Richards Bay 5,500 NAR       | 51.7              | 58.45                   | 58.00                   | 57.33             |
| NEWC<br>(FOB Newcastle 6000 NAR) | 78.30             | 85.93                   | 89.34                   | 87.72             |

*Unit: USD/ton*



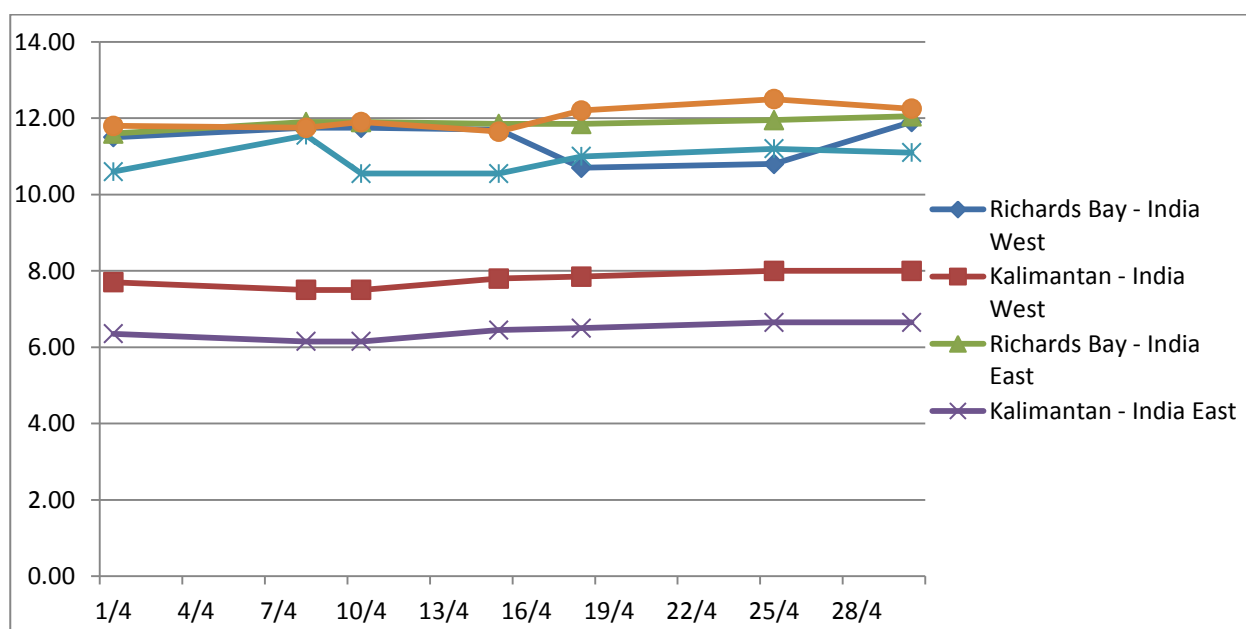
*Chart 1: Average coal price April (2019)*

*(Source: Platts)*

## 2. INTERNATIONAL SPOT DRY BULK FREIGHT ASSESSMENTS

Unit: USD/ton

|                                | Month – April                 | 1/4   | 8/4   | 10/4  | 15/4  | 18/4  | 25/4  | 30/4  |
|--------------------------------|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| <b>Capesize (150,000 tons)</b> |                               |       |       |       |       |       |       |       |
| 1                              | Australia – China             | 5.75  | 5.85  | 6.05  | 6.45  | 6.60  | 7.20  | 8.90  |
| 2                              | Queensland – Japan            | 6.25  | 6.40  | 6.65  | 7.10  | 7.30  | 8.10  | 10.05 |
| 3                              | New South Wales - South Korea | 7.10  | 7.25  | 7.50  | 7.95  | 8.15  | 8.95  | 10.90 |
| <b>Panamax (70,000 tons)</b>   |                               |       |       |       |       |       |       |       |
| 1                              | Richards Bay - India West     | 11.50 | 11.75 | 11.75 | 11.70 | 10.70 | 10.80 | 11.90 |
| 2                              | Kalimantan - India West       | 7.70  | 7.50  | 7.50  | 7.80  | 7.85  | 8     | 8.00  |
| 3                              | Richards Bay - India East     | 11.60 | 11.90 | 11.90 | 11.85 | 11.85 | 11.95 | 12.05 |
| 4                              | Kalimantan - India East       | 6.35  | 6.15  | 6.15  | 6.45  | 6.50  | 6.65  | 6.65  |
| 5                              | Australia - China             | 10.60 | 11.55 | 10.55 | 10.55 | 11.00 | 11.20 | 11.10 |
| 6                              | Australia - India             | 11.80 | 11.75 | 11.90 | 11.65 | 12.20 | 12.50 | 12.25 |



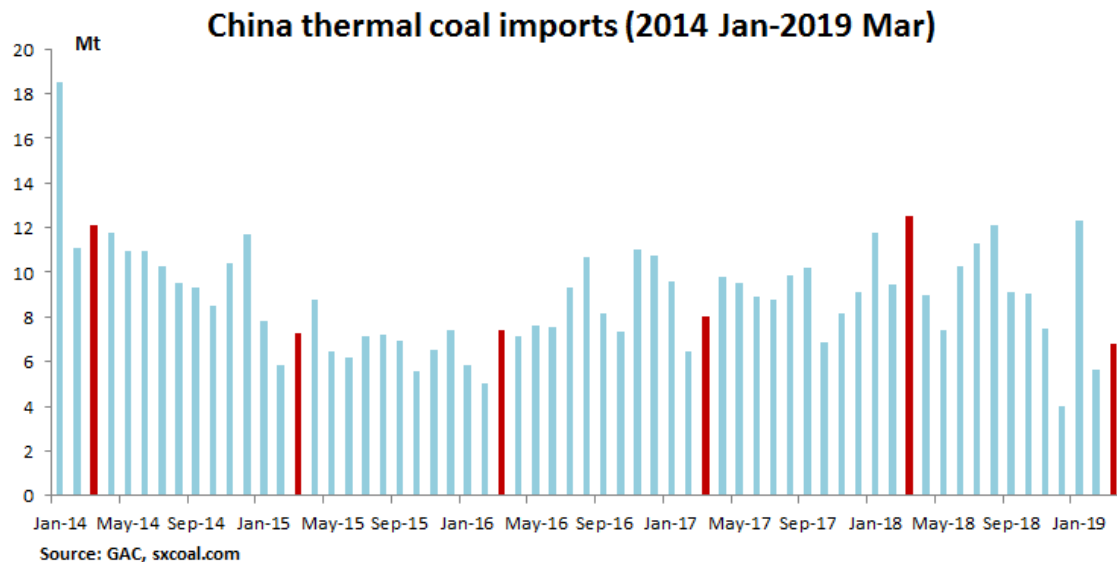
**Chart 2: International spot dry bulk freight in April**

(Source: Platts Coal Trader International)

## II. NEWS

### China Mar thermal coal imports halve Year on Year

China's imports of thermal coal (bituminous and sub-bituminous coal) slumped 45.77% year on year to 6.79 million tonnes in March, showed data from the General Administration of Customs on April 23. The figure was 1.15 million tonnes, or 20.39% higher than a month ago, GAC data showed. Value of the imports totaled \$468.71 million. The average import price was calculated at \$69.03/t, down \$4.02/t year on year yet up \$1.31/t month on month.



The slump came after Chinese customs extended Australian coal imports' clearance from normal 40 days to two months for environmental concerns. Due to the restrictions, which began in late January, Chinese traders had to abandon Australian coal imports and seek alternative resources. In February, the overall orders declined sharply. Some Chinese buyers tried to order a small amount of Australian coal for May and June delivery, which some market participants interpret as a signal for the restrictions to be eased in late May or early June. But the speculation hasn't been confirmed by any sources from the government, or market insiders.

Thermal coal imports declined 26.42% on the year to 24.79 million tonnes in the first quarter, which was worth \$1.78 billion, down 37.29% year on year. Lignite imports rose 2.7% year on year and 16.38% month on month to 9.59 million tonnes in March, adding up to a total of 30.67 million tonnes in the first quarter, 11.8% more than the same period of a year ago.

*(Source: <http://www.chinacoalindex.com/news/info?id=4590689>)*

### **BHP on track to meet 2018-2019 thermal coal production guidance**

Mining giant BHP has left its fiscal 2018-2019 (July-June) thermal coal production guidance unchanged at 28 million mt-29 million mt after a rise in volumes during the January-March quarter, the company said Wednesday. The miner produces Australian thermal coal from its Mt Arthur mine as part of its New South Wales Energy Coal business and Colombian thermal coal from its share in the giant Cerrejon mine in Colombia. BHP's March quarter thermal coal production stood at 6.75 million mt, which is up 11% year on year and 1% from the October-December quarter, the company said.

The result compared with forecasts for the period by RBC Capital Markets and JP Morgan of 7 million mt and 7.3 million mt, respectively, the two said in separate research notes Wednesday. For the nine months to March, BHP's thermal coal production has been 20.06 million mt, meaning it will need to produce 7.94 million mt-8.94 million mt in the current April-June period to meet its guidance. New South Wales Energy Coal produced 4.55 million mt in the March quarter, which was up 24% year on year and 6% from the December quarter, it said. This increase in production helped to offset the impact of adverse weather at Cerrejon where production fell to 2.2 million mt, down 10% year on year and 7% quarter on quarter, it said

### **Colombian Feb thermal coal exports total 6.63 million mt, up 1.7%: government data**

Colombia exported 6.63 million mt of thermal coal in February, a 1.7% increase from the 6.51 million mt shipped in the same month of 2018 and a 26.5% jump from the 5.24 million mt sent to foreign buyers in January, data from government statistics agency DANE showed Wednesday. The country received \$609.05 million in payments for the exported coal, a 13.6% increase from the \$536.33 million in receipts over the same month in 2018, and up 33.5% from the \$456.34 million billed in January. Colombia ranks among the top half dozen coal exporters in the world. For the first two months of the year, Colombia's output was 11.86 million mt, down 19.6% from

the 14.76 million mt produced over the same period in 2018. No reason was given on the website for the year-to-date drop. The nation's coal miners set an export record in 2018, sending out 105.24 million mt. The nation's top two exporters, Drummond and Cerrejon, have said they expect 2019 production to remain fairly equal to 2018, when each exceeded 30 million mt of output.

### **Yancoal maintains 2019 Australian coal output guidance as Jan-Mar volumes rise**

Australia-listed thermal coal miner Yancoal has maintained its attributable 2019 salable coal production guidance from its Australian assets at 35 million mt following a lift in volumes in the January-March quarter, the company said Wednesday. "There was no significant production impact on Yancoal from wet weather in Queensland, and there was no material sales volumes impact related to the coal import delays into China during the March quarter," the company said. The miner's share of salable production from the Australian assets it has an equity stake in was 8.8 million mt in the March quarter, up 11% year on year, and 5% from the December quarter, it said. On a 100%- basis, the mines produced 13 million mt of coal, it added. The company sold 7.8 million mt of thermal coal during the quarter up 16% year on year, while metallurgical coal sales stood at 1.6 million mt, up 33%, it said.

Yancoal said it continued to optimize its split of thermal coal and metallurgical coal sales to meet market demand and maximize price. The average price realized across its product line in the quarter was A\$133/mt, compared to A\$136/mt in the December quarter. "Throughout the March-quarter pricing, higher grade coals held up better following the impediments to Australian thermal coal deliveries into China adversely impacting prices of lower quality coals," the company said. "Yancoal has the flexibility to reallocate cargoes to alternative buyers, and in the March quarter, it did not experience a significant impact on sales volumes, despite volatile regional market conditions," it said. Yancoal added that its New South Wales-based Moolarben operation has the potential to increase ROM production from the current level of 18 million mt/year up to 24 million mt/year through further optimization of the operations. "Yancoal is evaluating this concept and working through the external approval and permit processes; these efforts will continue through 2019," it said.

*(Source: S&P Global Platts)*