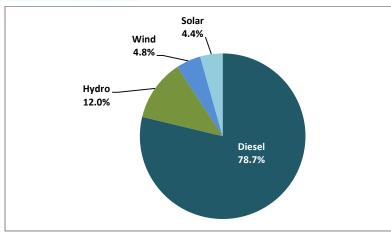


VANUATU MONTHLY ENERGY MARKET SNAPSHOT OF DECEMBER 2020



Electricity source

The graph on the left shows different types of energy sources used to produce electricity in Vanuatu during the month of December 2020. The main energy source was diesel combustion that contributed 78.7 % of the total electricity produced. The hydro in Santo generated 12.0 % of electricity, while the windmills and solar panels contributed 4.8% and 4.4% respectively.

Electricity generation by area

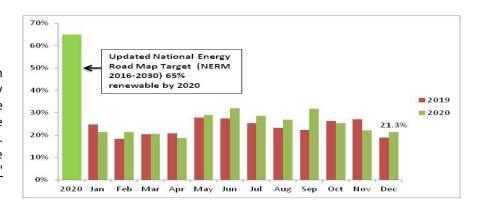
The top part of the table on the right shows the total energy production from all available energy sources and the total quantity of diesel used to generate electricity in each concession areas during the month. The bottom part of the table reveals the respective contribution in % of the available energy generation sources in each concession area.

| Dec-20 | Port Vila | Luganville* | Malekula | Tanna |
|-----------------------|-----------|-------------|----------|---------|
| Total kWh Produced | 5,269,019 | 1,040,320 | 102,511 | 134,714 |
| Litres of diesel used | 1,172,051 | 69,322 | 30,735 | 31,377 |
| Diesel % | 88.72% | 21.87% | 98.22% | 98.00% |
| Copra oil % | 0.00% | 0.00% | 0.00% | 0.00% |
| Hydro % | 0.00% | 75.82% | 0.00% | 0.00% |
| Wind % | 5.98% | 0.00% | 0.00% | 0.00% |
| Solar % | 5.30% | 0.34% | 1.78% | 2.00% |

^{*}Luganville monthly data includes operations from Port Olry micro-grid since Feb-17, Sola and Mosina micro-grid since Jan-20 and Ambae in Jul-20 .

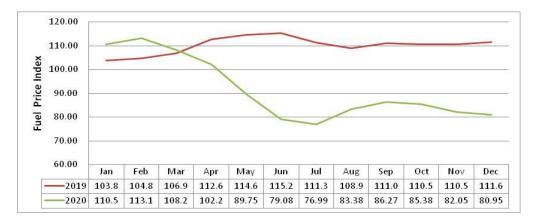
Renewable Energy Generation

The graph on the right presents the % portion of electricity generated from renewable energy sources¹ during the month in Vanuatu. The 2019 renewable contributions can be compared with the year-to-date (YTD) 2020. Furthermore, it provides an overview on where 'Vanuatu renewable electricity generation' stands in comparison to the NERM's² target.



Fuel cost index

Graph on the right discloses the fuel price index. It is not showing the price per liter of diesel but the evolution or movement of fuel price for 2019 and 2020. The index started with 100pt base in January 2016.



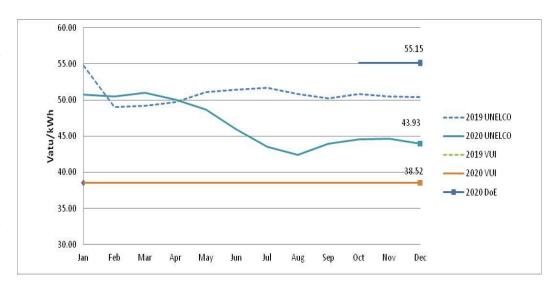
¹ Renewable sources include copra oil, hydro, solar and wind.

² Update National Energy Road Map 2016 – 2030. The target by 2020 is 65% generation from renewable energy sources.

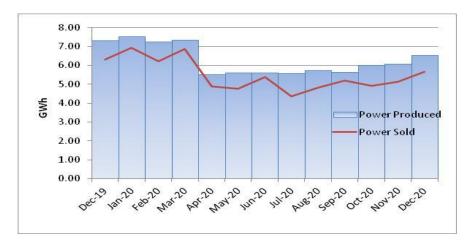
Electricity Price

UNELCO³ tariff for the month of December 2020 is 43.93 Vatu/kWh. VUI's⁴ and DoE's⁵ applicable tariff of the same month is 38.52 and 55.15 Vatu/kWh respectively.

UNELCO and DoE's actual operational parameters for a reporting month are typically utilized to compute electricity tariff for the following month, for instance the November 2020 parameters were to determine the used December 2020 tariff.



VUI's current tariff has been constant since September of 2018. This is to allow VUI to transition its operations gradually from an Operation and Maintenace operator, to a fully fledged Concessionaire subsequent to the Concession Deed it signed with the Government on 12th June 2019. Any changes to the current tariff will be subjected to future tariff review.



Total Electricity Generated and Sold⁶ within the concession areas.

Total power produced increased by 7.68~% from preceding month; comparing it with the equivalent month in previous calendar year, the total power generated decreased by 10.4~%.

Total power sold during the month increased by 10.4 % from previous month but decreased by 10.3 % for the corresponding month in 2019.

The data utilized in creating this monthly energy snapshot does not include electricity production outside of a concession agreement or MOU.



About the Utilities Regulatory Authority (URA)

The URA is the independent economic regulator for water and electricity services in Vanuatu, established by the URA Act no. 11 of 2007 with amendments.

As part of its functions, the Commission is monitoring the provision of electricity and water by utility companies and public services, promoting access and the long term interest of the customers.

Please call us if you have any question on (678) 23335 or visit our office at the Office of the Utilities Regulatory Authority, VNPF Compound, Corner Pierre Lamy & Andre Ballande Street, Port Vila, Vanuatu.

www.ura.gov.vu

The URA welcomes suggestions and feedbacks from readers of this monthly energy snapshot report. Any readers desiring to seek clarity of this report are encouraged to seek clarity from the URA should they do not understand any part of this report.

³ Union Electrique du Vanuatu Limited, << UNELCO LIMITED>>, supply electricity in Port Vila

⁴ Vanuatu Utilities Infrastructure, supply electricity in Luganville and Port Olry, Santo

⁵ The Department of Energy (DoE) supplies electricity in the Tanna and Malekula concessions since mid July 2020 and has commenced charging tariff in October of 2020.

⁶ Monthly energy sold in UNELCO's Concessions for the reporting month is estimated based on actual proportion of energy sold to total energy produced in comparable month for the previous calendar year.