

Company Name: Aurora Energy Limited

For Year Ended: 31 March 2018

### Schedule 14a: Mandatory Explanatory Notes on Forecast Information

1. This Schedule requires EDBs to provide explanatory notes to reports prepared in accordance with clause 2.6.6.
2. This Schedule is mandatory—EDBs must provide the explanatory comment specified below, in accordance with clause 2.7.2. This information is not part of the audited disclosure information, and so is not subject to the assurance requirements specified in section 2.8.

Commentary on difference between nominal and constant price capital expenditure forecasts (Schedule 11a)

3. In the box below, comment on the difference between nominal and constant price capital expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11a.

Box 1: Commentary on difference between nominal and constant price capital expenditure forecasts  
Differences between constant and nominal forecasts are a direct output of our escalation approach. Our expenditure forecasts were determined in constant 2018 dollars and escalated to nominal dollars using forecast price indices. Each expenditure category is escalated separately using price indices specific to that category. Price indices for each expenditure category reflect a combination of labour and materials prices. Forecast labour and materials prices are sourced from NZIER and the World Bank. Where used, forecast CPI was sourced from NZIER. We explain our approach to forecast escalation in Chapter 8.

Commentary on difference between nominal and constant price operational expenditure forecasts (Schedule 11b)

4. In the box below, comment on the difference between nominal and constant price operational expenditure for the current disclosure year and 10 year planning period, as disclosed in Schedule 11b.

Box 2: Commentary on difference between nominal and constant price operational expenditure forecasts  
Our approach for operational expenditure is equivalent to the approach for capital expenditure, described above.