MMAMANTSWE MILESTONES ACHIEVED

Integrated energy developer Aviva Corporation Limited (ASX:AVA, BSE:AVIVA) is pleased to advise the completion of two important milestones in development of its Mmamantswe project in Botswana.

Aviva has advised Mawana Minerals (Pty) Ltd (Mawana) that it has achieved the $US0.5M expenditure required by 30 September 2008 as part of the farm-in arrangements, and has elected to make the final vendor payment to secure the right to move to a 90% interest in the project.

The Mmamantswe power project is based on a 1.3 billion tonne indicated coal resource located near the South African border and adjacent to key infrastructure. Aviva signed a Heads of Agreement with Mawana in June 2007 to develop the project.

Under the initial agreement Mawana maintains a 10% carried interest in Mmamantswe and the right to take up a further 15% on a fully funded basis. Aviva is required to undertake a Bankable Feasibility Study (BFS) to complete the earn-in.

However, the partners are negotiating an outcome whereby Aviva may allow Mawana to dispose of part of its interest to facilitate the entry of a strategic partner to the project, and Mawana will waive Aviva’s requirement for a BFS.

The partners concur that the entrance of the right partner could greatly assist in accessing the South African coal and power markets, and that the early resolution of project ownership will improve the commercial certainty for incoming power partners and customers.

Aviva CEO, Mr Lindsay Reed, said the Mmamantswe project had been an outstanding success for Aviva, progressing from two historical drill holes to a billion tonne resource in less than a year.
“The size of Mmamantswe and its proximity to the South African fuel and power market has generated considerable interest from potential investors, development partners and customers,” Mr Reed said.

Aviva would like to acknowledge the assistance provided by Mawana in the early stages of the project. Aviva has set an aggressive work program for the project targeting the earliest possible development to meet the fuel and power needs of the Southern African Power market.

A project update is being prepared for shareholders and will be released shortly.

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ABOUT AVIVA
Aviva is an integrated energy company listed on the Australian Stock Exchange and the Botswana Stock Exchange with its head office in Perth. The company is growing a portfolio of integrated energy assets. Aviva’s most advanced asset is the Coolimba Power project in Western Australia.

Coolimba Power is a 400MW base load power station in the Mid West. The project is conveniently located in the northern half of the SWIS power grid to take advantage of demand growth both in the SWIS and from new resource projects in the Mid West Region. Aviva has signed a Joint Development Agreement with The AES Corporation for the Coolimba Power project.

The Mmamantswe project in Botswana is based around a 1.3 billion tonne indicated resource. The project is well positioned, being on the South African border and adjacent to key infrastructure including, highway, railway, and high voltage transmission lines. Aviva in conjunction with SUEZ-GDF is proposing a 1,000MW power station for Mmamantswe consuming 4 million tonnes per annum of coal. Aviva is also investigating the external coal sales of 6-12 million tonnes per annum.

Please visit: www.avivacorp.com.au or www.coolimbapower.com.au