NEMI AND AVIVA TO MERGE, CREATING A GROWTH-ORIENTED INTERNATIONAL COAL AND ENERGY BUSINESS.

Vancouver, Canada and Perth, Australia – October 21, 2008 - NEMI Northern Energy & Mining Inc. (“NEMI”) (TSX: NNE.a) and Aviva Corporation (“Aviva”) (ASX: AVA, BSE: AVIVA) announce that they have entered into a merger implementation agreement (“Agreement”) to combine the businesses of the two companies to create a new growth-oriented international coal and energy group (the “Merger”). The combined entity will provide investors with exposure to operating and development stage assets across attractive metallurgical and thermal coal projects.

The Merger is expected to be completed by way of an Aviva scheme of arrangement in Australia, with Aviva shareholders to receive 0.59 NEMI shares (in the form of “CHESS Depository Interests” or “CDIs”) for each Aviva share they hold at completion. It is intended that upon the completion of the Merger, NEMI will change its name to reflect the expanded scope of its business. The merged group will maintain its primary listing on the Toronto Stock Exchange and will apply for a listing on the Australian Securities Exchange and the Botswana Stock Exchange. Existing shareholders of NEMI and the former shareholders of Aviva will each hold approximately 50% of the expanded share capital of the merged group at closing on a diluted basis taking into account NEMI’s outstanding convertible debentures. The key terms of the Agreement (including conditions to completion) are summarised in the Annexure to this announcement.

The Merger will create a diversified coal and energy producer and developer, with significant growth potential, that will benefit from:

- A complementary development pipeline providing for superior growth potential with:
  i. Peace River Coal (which NEMI has an interest in) having recently entered commercial production and its inherent expansion opportunities;
  ii. Coolimba Power (which Aviva has an interest in) moving through engineering and regulatory approvals; and
  iii. Mmamantswe (which Aviva also has an interest in) providing for longer term power and coal production potential;

- Cash flow potential and a strong balance sheet with the ongoing ramp-up of the Peace River Coal operations and a current combined cash balance of approximately C$25 million;
• Enhanced market positions with a diversity across geographies (Canada, Australia and Botswana), coal products (metallurgical and thermal) and capital markets (TSX and ASX listings);

• An expanded and experienced board and management team with a mix of operational, technical, corporate and financial skill sets from both the resource and power sectors; and

• A continued strategic focus on organic growth, pursuit of attractive opportunities, and beneficial partnering strategies, all as part of an over-riding drive to create shareholder value.

Pat Devlin, President and CEO of NEMI, said “When we look at the landscape of parties active in the coal development arena globally with whom we could partner to grow our business and create value Aviva easily stands apart from the rest in terms of complementary assets, management team and overall fit. We believe we will be positioned as a leading growth-oriented coal and energy producer with a global mandate, an outstanding inventory of coal resources, key top-tier partners, and managerial and technical skills to drive future growth. Despite the current market difficulties, I’m confident in the fundamentals of the Merger and the capabilities of our combined team.”

Lindsay Reed, CEO of Aviva, added “The Merger represents a true win-win situation for our companies as we are bringing together symbiotic assets, people skills and shareholders. Through this combination we expect to accelerate growth and capitalize on the strength of each business in the development of both metallurgical and thermal coal deposits. I look forward to what we can achieve in the short and long term.”

Each of the NEMI and Aviva board unanimously recommend their shareholders vote in favour of all resolutions to be proposed at their respective shareholder meetings to approve the Merger, subject to there being no superior proposal, no material adverse changes, prescribed occurrences, warranty breaches or breach of the conditions of the Agreement requiring the parties to have a certain cash position, and in the case of Aviva, an independent expert finding that the Merger is in the best interests of Aviva shareholders.

Merger Ratio and Current Market Conditions

NEMI and Aviva have considered and investigated the possibility of a business combination for several months. The recent market turmoil has negatively affected the share prices of both companies with significant and volatile share price movements. Despite persistent market volatility, the management teams and boards of NEMI and Aviva have affirmed their initial assertion of the combination as being a true merger of equals. Throughout the period of negotiations, relative values were assessed based on both market values using trailing volume weighted average prices over various time periods, and on asset reviews focused on the intrinsic value of projects.

The agreed merger ratio of 0.59 NEMI shares per Aviva share is largely in-line with the ratio of trailing 30-day volume weighted average prices as of October 17, 2008, being C$0.43 for NEMI on the TSX and A$0.32 for Aviva on the ASX.
The boards of both NEMI and Aviva remain very excited by the overall prospects and improved financial strength for the merged group. Management’s view is that hard coking coal and energy market fundamentals are robust, and that these markets are expected to continue to remain attractive over the medium to long term.

Production and Development Assets

Upon completion of the Merger, the combined business will have an attractive suite of projects in favourable jurisdictions with strong partners. Management’s near term objective will be to focus on generating value from this portfolio through ongoing production optimization and concerted development efforts:

**Peace River Coal (Canada)** – Located in north-eastern British Columbia, the Peace River Coal Limited Partnership (“PRCLP”) operates the Trend metallurgical coal mine, which was brought into commercial production in early 2008, and is ramping up towards a permitted mining rate of 2 million tonnes per year. A technical report on the Trend full mine feasibility, dated November 16, 2005 and prepared by Norwest Corporation, is filed on www.sedar.com. The partnership also holds exploration licenses over the neighbouring Roman deposit and nearby Horizon deposit as well as a 50% interest in the Belcourt Saxon joint venture. Under the terms of the partnership agreement and due to differing cash contributions of the PRCLP partners during the year, a final calculation of ownership interests will be undertaken after year end, however NEMI’s current partnership interest in PRCLP is estimated at approximately 17%.

**Coolimba Power (Australia)** - The project is a 400MW integrated energy development in the mid-west region of Western Australia, approximately 300km North of Perth, which will be fuelled by Aviva’s coal deposit located 20km south of Eneabba where reserves of 72 million tones of thermal coal have been defined. The location has the advantage of low cost fuel, available water and adjacent infrastructure. Coolimba is expected to be a base load generator employing leading emissions technology for water, sulphur and carbon dioxide. Aviva recently announced a joint development agreement with significant global independent power company, AES Corporation, as partner for Coolimba Power.

**Mmamantswe (Botswana)** – Aviva is earning a 90% interest in the Mmamantswe project in Botswana where, earlier this year, it outlined an initial inferred resource estimate of 1.3 billion tonnes of low-sulfur coal. Drill programs are ongoing and Aviva has recently been qualified, in consortium with the GDF SUEZ group, a major player in global power solutions, to submit a proposal in respect of a baseload IPP program by South Africa’s government owned utility, Eskom.

Board and Management

The board and management structure of the combined group will draw on the expertise of both businesses. Senior management is expected to include the following:

**Pat Devlin (Executive Chairman)** – Pat currently serves as President and Director of NEMI. He was a securities lawyer for 25 years and has been President of NEMI for the past five years.
Lindsay Reed (President & CEO) – Lindsay has more than 20 years experience in the resource sector as a mining engineer, resources analyst and business development executive.

Robert Kirtlan (Executive Director, Corporate Development) – Robert has 15 years company management experience and spent seven years in Australian and global mining investment banking in Perth, Sydney and New York working for major global investment banks with a specialist role in the mining and natural resources sector.

Stephen Jones (CFO) – Stephen is a Chartered Accountant with over 15 years experience. He worked as an auditor with Arthur Andersen in Australia and overseas in a diverse range of industries. Before joining Aviva, he was Finance Manager for Portman Ltd. responsible for project analysis, corporate reporting and treasury functions.

Mark Chatfield (General Manager, Energy) – Mark was appointed to Aviva in May 2007 to drive the development of the Coolimba coal deposit and power station. He has more than 30 years experience in the energy industry, both in Australia and abroad.

Richard Harris (General Manager, Energy Development) – Richard was appointed by Aviva in September 2007 to manage all licensing, commercial and external affairs aspects of the Coolimba Power project. Richard has nearly 30 years experience in the Western Australia energy and resources industries, both in private and public sectors.

The board of the combined group will be reconstituted with three representatives from each of NEMI and Aviva. The appointees are expected to be Pat Devlin as Executive Chairman, Lindsay Reed as President and CEO, Robert Kirtlan as Executive Director – Corporate Development, and non-executive appointees, John Byrne, Durand Eppler, and Shaun McRobert. These individuals provide a broad range of expertise, including broad resource sector and coal industry experience, project management, financing, legal, commercial and corporate governance skills.

Development and Growth Strategies

Although the PRC mine achieved commercial production at the beginning of 2008, and is currently generating an operating profit, the operation has not yet achieved the permitted production rate of 2 million tonnes per year. The PRCLP is currently undertaking a transition from contractor to an owner-operated mining fleet which is targeting higher productivity and coal recoveries. Similarly, efficiencies and upgrades are being undertaken in the plant to achieve greater throughput and plant availability. The PRCLP development area has several deposits under consideration for development expansion with a longer term production goal of 4 million tonnes per year. A significant advantage of the PRCLP site is its immediate access to rail and port infrastructure and preliminary assessments of development options are expected to be completed over the coming six months. Separately, the PRCLP’s 50% interest in the Belcourt Saxon joint venture (with partner Western Canadian Coal), is also undergoing early stage economic studies.
The Coolimba Power project is advancing simultaneously through the various engineering, customer off-take, financing and permitting activities. The project was bolstered by the recent attraction of AES Corporation as the development partner with a joint development agreement signed on September 15, 2008. Current timelines envisage a financial close on the project late in 2009.

Mmamantswe, although early in project assessment, has the advantage of being a large medium grade thermal project with capacity and proximity to infrastructure to develop an export market for its coal together with a power development. Aviva was recently approved by Eskom’s pursuant to a Request for Qualification for independent power projects. The accepted submission was prepared in conjunction with a subsidiary of the GDF SUEZ group and focused on a 1,000MW power plant development. It is expected that a request for proposals will be issued by Eskom in the near future. Water drilling is currently underway and ongoing resource evaluation will be undertaken in 2009 along with preliminary economic studies.

The directors of both NEMI and Aviva believe that as a merged group additional attractive options will be assessed as opportunities for further growth and value creation.

Details of the Transaction

The Merger is expected to be carried out by way of a scheme of arrangement in Australia under Part 5.1 of the Corporations Act 2001, whereby NEMI will acquire all of the issued shares of Aviva (the “Scheme”). Under the Scheme, consideration received by the Aviva shareholders will comprise 0.59 CDIs (each representing 1 NEMI share) to be quoted by ASX for each issued and outstanding Aviva share they hold at the transaction record date. The Scheme will result in Aviva becoming a wholly-owned subsidiary of NEMI. Based on the number of Aviva shares currently on issue, the Merger will involve the issuance of approximately 70 million NEMI shares (and corresponding CDIs), which equates to 55% of NEMI’s shares outstanding (or 50% taking into account the NEMI shares underlying NEMI’s outstanding convertible debentures). The Scheme will have no impact on NEMI’s outstanding convertible debentures.

Each of NEMI and Aviva has agreed to not solicit a competing offer to the Merger and to use their best efforts to obtain necessary consents and approvals to effect the Merger. Each company has also agreed to pay a break fee amounting to C$1 million (reflecting an estimate of transaction costs) to the other party under certain circumstances. In addition, each company has granted the other party the opportunity to match (within a limited period of time) any competing offer that may arise.

The completion of the Merger will be subject to a number of conditions, including the approval of Aviva shareholders at the Scheme meeting, and by the NEMI shareholders in respect of the share issuance as consideration under the Scheme and certain changes to its constating documents to allow for an ASX listing. Both shareholder meetings are expected to be held late December 2008 and January 2009. The boards of both companies have unanimously agreed to recommend the Merger to their respective shareholders in the absence of a superior proposal. Other transaction conditions are customary, and include a favourable report by an independent expert to the shareholders of Aviva, and the approval of the TSX, ASX, ASIC and the relevant
Australian Court. The key terms and conditions of the Agreement are set out in the Annexure to this announcement.

It is intended that Aviva’s existing options be cancelled and replaced with options issued by NEMI. The number of NEMI options to be issued in replacement of the Aviva options will reflect the Merger share exchange ratio described above or as otherwise agreed by both NEMI and Aviva, while the exercise price will reflect the exercise price of the existing Aviva options, adjusted in accordance with merger ratio and the foreign exchange rate between the Canadian and Australian currencies, unless otherwise agreed. Additionally, to properly incentivize and align the management and board of the combined business, the companies have agreed that NEMI will provide an additional grant of 3,247,000 NEMI options at completion to certain board members and management.

Full details of the transaction will be included in the formal Scheme Booklet and Management Information Circular to be filed with the regulatory authorities and mailed to Aviva and NEMI shareholders, respectively.

Canaccord Adams acted as financial advisor to NEMI and Borden Ladner Gervais LLP and DLA Phillips Fox are providing NEMI with legal advice. Aviva has retained RBC Capital Markets as financial advisor and has appointed BDO Kendalls as independent expert to provide an opinion to Aviva shareholders. Deacons and Lawson Lundell LLP are legal advisors to Aviva.

**Conference Calls**

NEMI and Aviva will hold conference calls at 8:00 am Vancouver time on Wednesday October 22nd and at 11:00 am Perth time on Wednesday October 22nd to allow shareholders, securities analysts and investors the opportunity to hear management discuss the Merger. A presentation in respect of the Merger will be available from Aviva’s website at www.avivacorp.com.au in advance of the calls. Conference call details are as follows:

**Canadian call:**
- Time: 8:00 am (Pacific Daylight Time) / 11:00 am (Eastern Daylight Time), Wednesday October 22nd
- Dial in: 416-915-5763 or toll free on 1-800-595-8550

**Australian call:**
- Time: 11:00 am (Western Standard Time) / 2:00 pm (Eastern Summer Time), Wednesday October 22nd

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About NEMI

NEMI is a mine development company focused on the exploration, development and production of metallurgical coal assets in northeast British Columbia. NEMI's assets as at June 30, 2008 consist of its interest in the PRCLP, and working capital. As at the date of this release, NEMI has 57,869,745 shares outstanding, C$11,900,000 of convertible debentures with a conversion price of C$0.90, and options and warrants outstanding over a total of 1,500,000 shares.

Additional information on NEMI and its projects can be obtained from the SEDAR website, www.sedar.com.

About Aviva

Aviva is an integrated energy company listed on both the Australian Securities Exchange and 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. Aviva is continually reviewing integrated energy opportunities. As at the date of this release, Aviva has 118,641,825 shares outstanding and has proposed, issued or granted options over a total of 10,450,000 shares.


Qualified / Competent Persons

Technical information (including in relation to Mineral Resources and Ore Reserves) contained in this press release relating to the Coolimba Power project is based on information compiled by, has been verified by, and is the responsibility of Mr Richard Hoskins and in respect of the Mmamantswe project is based on information compiled by, has been verified by, and is the responsibility of, Mrs Cecilia Hattingh, both of whom are Qualified Persons as defined in NI 43-101 and Competent Persons under the JORC and SAMREC codes, respectively.

Mr Richard Hoskins is employed by the Minserve Group Pty Ltd and Mrs Cecilia Hattingh is employed by Rock and Stock Investments (Pty) Ltd.

Mr Hoskins and Mrs Hattingh each have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they have undertaken to qualify as a Competent Person under the JORC Code and SAMREC Code respectively. Each of Mr Hoskins and Mrs Hattingh consents to the inclusion in this press release of the matters based on their respective information in the form and context in which it appears.

Forward-Looking Statements

This document may contain "forward-looking statements" within the meaning of Canadian securities legislation and the United States Private Securities Litigation Reform Act of 1995, and for the purposes of Australian laws. These forward-looking statements are made as of the date of this document and NEMI and Aviva (hereinafter
referred to as the "Companies") do not intend, and do not assume any obligation, to update these forward-looking statements.

Forward-looking statements relate to future events or future performance and reflect management of the Companies' expectations or beliefs regarding future events and include, but are not limited to, statements with respect to the estimation of mineral reserves and resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Companies to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in NEMI's annual information form interim and annual financial statements and management's discussion and analysis of those statements, all of which are filed and available for review on SEDAR at www.sedar.com and in Aviva's financial statements, which are available for review on www.avivacorp.com.au. Although the Companies have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.
Annexure – Key terms of Agreement

Conditions precedent to completion

Completion of the Scheme under the Agreement is subject to satisfaction (or, where applicable, waiver) of the following conditions:

- TSX, ASX, ASIC and the Government Agency of Botswana with authority to approve foreign investment issuing or providing any consents, waivers or approvals or doing other acts which the parties agree are reasonably necessary or desirable to implement the Merger;

- Aviva shareholders approving the Scheme by the requisite majorities required under section 411(4)(a)(ii) of the Corporations Act;

- NEMI shareholders approving the issuance of NEMI shares (and CDIs) to be issued to Aviva shareholders under the Scheme; the issue of replacement NEMI options to Aviva option holders (if required); and the amendments to NEMI’s constating documents required for NEMI to achieve listing on ASX;

- ASX and TSX granting the requisite approval for quotation and listing of the NEMI CDIs and corresponding NEMI shares to be issued under the Scheme;

- the relevant Australian Court granting the required approval of the Scheme in accordance with section 411(4)(b) of the Corporations Act;

- no temporary restraining order, preliminary or permanent injunction, decree or other order issued by any court of competent jurisdiction, TSX, ASX or ASIC, or other legal restraint or prohibition arising that prevents the Merger;

- no “material adverse change” occurring in respect of either NEMI or Aviva prior to closing (Material Adverse Change Condition);

- no “prescribed occurrence” occurring in respect of either NEMI or Aviva prior to closing (this restricts changes in the capital structure of either company) (Prescribed Occurrence Condition);

- no representation given by either NEMI or Aviva under the Agreement having become materially incorrect (Representation Condition);

- the independent expert appointed by Aviva concluding that the Scheme is in the best interests of Aviva shareholders;

- the net cash position of NEMI not falling below C$5,000,000 prior to closing;

- the net cash position of Aviva not falling below A$10,000,000 prior to closing; and

- Aviva option holders agreeing to the cancellation of their Aviva options and issue of replacement NEMI options on the terms outlined in the announcement.
Exclusivity obligations

Both NEMI and Aviva have agreed to standard exclusivity obligations. These obligations restrict each party from:

- soliciting, initiating or inviting (directly or indirectly) any enquiries, discussions or proposals in relation to, or which may reasonably be expected to lead to a competing proposal for that party to be made by a third party;

- subject to an exception in relation to the directors fiduciary duties (as specified below), participating in any discussions or negotiations, or providing to any other person any information in relation to, or which may reasonably be expected to lead to, a competing proposal for that party to be made by a third party (No-talk); or

- approving a third party proposal (Approval).

Notwithstanding the No-talk and Approval obligations, the boards of both companies may engage a third party in discussions or approve a superior proposal if the directors, after having received independent professional financial and legal advice, reasonably determine that failing to engage in those discussions would likely constitute a breach of the directors’ fiduciary or statutory obligations.

In the event that either party is approach by a third party in relation to a potential competing proposal, the approached party:

- must notify the other party of the approach and provide details of that approach at least 5 business days prior to any recommendation of the competing proposal by the approached party; and

- must provide the other party with not less than 5 business days to consider the competing proposal; and

- must not agree to the competing proposal or recommend it, unless the directors, after having received independent professional financial and legal advice, reasonably determine that failing to do so would likely constitute a breach of the directors’ fiduciary or statutory obligations.

Where Aviva or NEMI or any of their respective representatives provides any information relating to Aviva or NEMI (as applicable) to any third party in connection with or for the purposes of a current or future competing proposal, Aviva or NEMI (as applicable) must promptly provide to the other party a complete copy of that information.

The exclusivity period applicable to the Merger is 6 months from the date of the Agreement.
Break fee

In the event that the Merger does not proceed, in respect of either NEMI or Aviva due to any of the following occurring, the culpable party must pay to the other a break fee (representing transaction costs, including advisory fees) of C$1 million. The trigger events are:

- a competing proposal for one party being announced or made before that party’s shareholder meeting, and that party’s shareholders failing to approve the Merger by the requisite majorities;
- the board of that party publicly recommending a competing proposal or withdrawing their recommendation of the Merger;
- that party breaching its exclusivity obligations;
- a competing proposal being made for that party and the entity proposing the competing proposal has on or before the end of the exclusivity period:
  - acquired an interest in more than 20% of that party’s shares; or
  - acquired voting power of more than 20% in that party’s shares;
  - acquired directly or indirectly any interest (including legal, equitable or economic) in all or a material part of the business or assets (on a consolidated basis) of that party; or
  - otherwise acquired, or merged or amalgamated with that party; or
- completion not occurring due to non satisfaction of any of the following conditions by that party:
  - Material Adverse Change Condition;
  - Prescribed Occurrence Condition; or
  - Representation Condition,
  in circumstances where no other conditions were incapable of being satisfied; and
- either party recommending or undertaking a superior proposal.

Warranties

Each party has given various warranties (and a corresponding indemnity) to the other regarding their businesses, their authority to enter into the Agreement and the accuracy of information provided to the other party.
Termination events

Each party may terminate the Agreement in various circumstances including:

- where the other party is in material breach of any provision of the Agreement,
- where a Court or government agency has taken any action permanently restraining or otherwise prohibiting the Merger;
- where the other party breaches their exclusivity obligations;
- if the other party or any of its related bodies corporate becomes insolvent.
- if the Merger has not been implemented by 30 April 2009;
- if the other party recommends an alternative transaction to the Merger;
- if the board of the other party withdraws their unanimous recommendation of the Merger; or
- if NEMI becomes subject to a corporate transaction which Aviva considers would render the Scheme no longer in the best interests of, or fair and reasonable to Aviva shareholders.