MEDIA RELEASE

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Study identifies carbon geosequestration potential in WA’s North Perth Basin

A 12 month study into the potential of WA’s North Perth Basin (Mid West region) for geosequestration of carbon dioxide (CO₂) emissions has identified the opportunity for the Coolimba Power Project to be a major carbon capture and storage (CCS) project based on a commercial power station.

Undertaken by the Cooperative Research Centre for Greenhouse Gas Technologies (CO2CRC), the study assessed the potential for the underground storage of CO₂ in depleted oil and gas reservoirs, on behalf of Aviva Corporation and Mid West oil and gas producer Australian Worldwide Exploration Limited (AWE).

The proposed Coolimba Power Station is a 400MW coal-fired base load power station being jointly developed by Aviva Corporation and The AES Corporation, 20km south of Eneabba and 150km south of the port of Geraldton. The energy project is being developed with the capability to capture carbon emissions in the future. Rather than being released into the atmosphere, the captured emissions would be compressed, injected and stored within deep underground storage reservoirs.

Aviva Corporation CEO Lindsay Reed said the study investigated three possible mechanisms for the storage of CO₂ - in depleted oil and gas reservoirs, deep saline aquifers and deep coal measures - with the study area confined to the onshore areas of the North Perth Basin, broadly in the region from Dongara to Eneabba.

“We are very encouraged by the initial results of the study, which concluded that there is potential CO₂ storage capacity for up to 40 million tonnes in the Beharra Springs, Dongara and Woodada depleted gas reservoirs,” Mr Reed said.

“The study to date suggests that these reservoirs could accommodate a significant portion of the CO₂ output from Coolimba over its projected life (2.9 million tonnes per annum of CO₂, or 87 million tonnes over 30 years). The study also identified several deep saline reservoirs in the region with a CO₂ storage potential that would exceed the lifetime CO₂ production of the power station. These reservoirs, with potential capacity of 500 million tonnes, require additional evaluation in order for their capacity to be confirmed.

“Aviva, in partnership with AES, will continue to progress the Coolimba Power Station as ‘carbon capture ready’ and is investigating technical and funding partnerships to accelerate the implementation of a CCS project in the North Perth Basin.”

The CO2CRC utilised extensive data from AWE oil and gas fields in its study. AWE, previously ARC Energy, has an interest in the study due to the potential to utilise the CO₂ from Coolimba to enhance the recovery of oil from its Dongara oil reservoir.
CO2CRC Chief Executive Peter Cook said the CO2CRC study had identified CO₂ storage locations in the North Perth Basin with the potential to store large quantities of CO₂.

“The study has identified promising onshore storage locations close to a thermal power station, which could significantly reduce pipeline costs for a subsequent conversion of a plant to CCS operation and the geosequestration of CO₂,” Dr Cook said.

Mr Reed said that a consortium would be formed to take responsibility for the project, advancing the engineering of both the Coolimba plant and the CO₂ capture and storage facilities, which will enable Coolimba to emerge as one of the first facilities in Australia to be built ready for conversion to CCS operation in the future.

“We believe that the Coolimba Power project has the potential to be the first commercial application of a CCS project in Australia,” Mr Reed said.

“While additional work is now required to prove the storage potential of the target formations, we are very hopeful funding can be secured to allow Aviva, AWE and the CO2CRC to progress the project to its conclusion.”

Mr Reed said WA is in a fortunate position.

“Coolimba will help to develop the Mid West by delivering a secure energy supply in a growing region. Energy is a key ingredient needed to make sure the Mid West’s vast resources are developed to their full potential,” he said.

“The project also holds national and global significance if Coolimba is able to integrate CCS into the project. This will put WA at the forefront of setting the benchmark for a low emissions future.”

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ABOUT AVIVA
Aviva is an integrated energy company listed on the Australian Stock Exchange (ASX:AVA) 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. The location has the advantage of low cost fuel, available water, adjacent infrastructure, existing mining lease and freehold land.

Please visit: www.avivacorp.com.au or www.coolimba-power.com.au

ABOUT AES
The AES Corporation is one of the world's largest global power companies, with 2007 revenues of $13.6 billion. With operations in 29 countries on five continents, AES's generation and distribution facilities have the capacity to serve 100 million people worldwide.

AES's 15 regulated utilities amass annual sales of over 78,000 GWh and AES’s 123 generation facilities have the capacity to generate approximately 43,000 megawatts. AES’s global workforce of 28,000 people is committed to operational excellence and meeting the world's growing power needs. To learn more about AES, please visit www.aes.com or contact AES media relations at media@aes.com.

ABOUT CO2CRC
The Cooperative Research Centre for Greenhouse Gas Technologies (CO2CRC) is one of the world's leading collaborative research organisations focused on carbon dioxide capture and storage, or CCS. CO2CRC is an unincorporated joint venture comprising participants from Australian and global industry, universities and other research bodies from Australia and New Zealand, and Australian Commonwealth, State and international government agencies.

For more information, please visit: www.co2crc.com.au

ABOUT AWE
Australian Worldwide Exploration Limited (AWE) is an Australian based oil and gas exploration and production company. AWE was recently admitted to the prestigious ASX 100 Index. AWE currently has oil and gas interests in Australia, New Zealand, Indonesia, Yemen and Argentina, and is actively reviewing additional growth opportunities.

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