ASX AND MEDIA ANNOUNCEMENT

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WA DEFERS CRITICAL MIDWEST ENERGY INFRASTRUCTURE

Integrated energy developer Aviva Corporation Limited (ASX:AVA, BSE:AVIVA) advises that the WA government has deferred construction of the 330kV transmission line from Perth to Geraldton and has not included expenditure on the line in the 2009/10 budget.

The Economic Regulation Authority of Western Australia determined that the 330kV transmission line satisfied the Regulatory Test in December 2007. The Regulatory Test is an assessment of whether the proposed work maximises the net benefit to those who generate, transport and consume electricity in the South West Interconnected Network after all options are considered.

The 330kV transmission line was proposed by the state network operator Western Power. The ERA received public submissions in favour of the proposal from Aviva and other entities including

- Mid West Development Commission
- Griffin Energy
- Geraldton Iron Ore Alliance
- Extension Hill Pty Ltd

Aviva CEO Lindsay Reed said “The power line is of critical importance for the development of the Mid West region because energy is a key requirement for all the proposed iron ore projects and the deep water port at Oakajee”.

Aviva’s Coolimba Power project at Eneabba can accommodate up to a two year deferral of the transmission line and requires the construction of only the first stage from Perth to Eneabba to facilitate connection to the network.

“It is critical for Coolimba that the government expeditiously clarifies the extent of the deferment and indicates how it intends to fund the transmission line”, Mr Reed said.
“Without such commitment Coolimba will be unable to contract with Western Power for connection to the network and as a consequence would be unable to contract to supply electricity to Synergy or other customers”.

The capacity to execute these contracts is fundamental to the procurement of project finance for Coolimba.

Mr Reed said that Aviva maintains that a competitive power generation sector in WA involving private sector projects requires adequate and timely provision of transmission infrastructure in order for new generation to be developed.

As a matter of priority Aviva will be engaging with government at all levels to provide certainty for the funding and development of this transmission line.

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ABOUT AVIVA
Aviva is an integrated energy company listed on both the Australian Stock 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.

The Coolimba Power Project will be based on fuel from the Central West Coal project and is ideally 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. Coolimba will be a 400MW base load generator employing leading emissions technology for water, sulphur and carbon dioxide.

Aviva is earning a 90% interest in the Mmamantswe project in Botswana where it has outlined a 1.3 billion tonne coal 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.

Visit: www.avivacorp.com.au