

KEY EVENTS

Aviva Corporation Ltd (ASX: AVA; BSE: AVIVA) is focussed on activities that will release value from Coolimba, preserve value at Mmamantswe and create new opportunities.

- **Coolimba Power Project**
 - Finalisation of Public Environmental Review documents for final EPA assessment in January 2010.
 - Funding submission to the Global Carbon Capture and Storage Institute (GCCSI) for feasibility studies at Coolimba CCS Project.
 - Assisting the Coal Rights owner obtain mining title to the Central West Coal resource.
- **Mmamantswe Integrated Coal and Power Project**
 - Finalising the SRK mining studies.
 - Finalising the new Rock & Stock resource estimate.
 - EPC quote for a 2 x 660MW plant provided by Shanghai Electric Corporation.
- **New Opportunities**
 - Aviva has been approached by third parties interested in the Griffin coal assets and is considering possible options.
 - Aviva is considering recapitalising options for its energy projects separate to Aviva to facilitate funding and the pursuit of other power opportunities.
 - Aviva is considering other resource opportunities unrelated to power for acquisition or joint venture.

COOLIMBA POWER - INTEGRATED ENERGY PROJECT

The Coolimba Power Project comprises a 400MW coal fired and 360MW gas fired power development based on the Central West Coal deposit located 20km south of Eneabba in the Mid West region of Western Australia.

Coolimba Project Outlook

Aviva has previously announced that without Synergy as a cornerstone customer the only options for Coolimba are to align with another retailer or a major block load. It is unlikely that Aviva will participate in such a development but will look to recover value from such an alignment. Several expressions of interest in the Coolimba Power Project have been received and Aviva continues to advance the essential elements of the project while assessing expressions of interest for the project.

Aviva's option over the coal rights expired on 20 November 2009 however Aviva and the owners of the Coal Rights recognise that a clean package comprising mining title, mine information and environmental approvals is required to maximise value and both parties are progressing these activities.

Environmental Approvals

The EPA has continued their assessment and are finalising the EPA's Report and Recommendation to the Minister for the Environment, which is expected in January 2010.

Carbon Capture and Sequestration

Coolimba was not selected by the Federal Government to receive a portion of the Australian Government funding support to develop industrial scale carbon capture and storage (CCS) projects.

Coolimba has now turned its attention to seeking feasibility funding from the GCCSI which has significant funds allocated to support globally significant CCS opportunities. Aviva believes that the Coolimba CCS project has the best credentials in Australia to advance CCS development and has proposed its project to the GCCSI on this basis.

MMAMANTSWE INTEGRATED COAL AND POWER PROJECT BOTSWANA

Aviva is earning a 90% interest in the Mmamantswe Project in Botswana where it has outlined a 1.3 billion tonne indicated resource. Development plans for the project are based on an initial 1,000MW power station using four and a half million tonnes per annum of coal.

The mining study and resource estimates have been completed and the final drafts are currently being reviewed by the Aviva management team.

An EPC quote for a 2 unit power station at Mmamantswe has been received from Shanghai Electric Corporation. The quote is very competitive based on publicly available numbers for other similar installations in the region.

Mmamantswe Outlook

Eskom has highlighted the need to finalise its internal funding mechanism before dealing with Independent Power Projects. The South African regulator is currently hearing submissions on Eskoms application for a tariff increase. The South African government is instigating an Integrated Resource Planning process. While good progress is being made Aviva does not expect South Africa will be in a position to solicit or entertain proposals from IPP's until late this year. The activity schedule at Mmamantswe will reflect this timing outlook.

FINANCIAL

Cash reserves at the end of the quarter stood at \$4.959 million. As discussed earlier the board is considering various proposals to release value from Coolimba and will make a decision on writing down the carrying value of the Coolimba assets in February.

For further information, please call:

Lindsay Reed
Aviva
Chief Executive Officer
Tel: +61 (0) 8 9367 2344

Robert Kirtlan
Aviva
Director
Tel: +61 (0) 8 9367 2344

Visit: www.avivacorp.com.au

Competent Person Statements

The information relating to Mmamantswe Exploration Results, is based on information compiled and reviewed by Mr. Joshua Hattingh, who is a Member of the South African Council for Natural and Scientific Professions, the Geological Society of South Africa (both recognized overseas professional organizations – "ROPO"), and a member and principal geologist at Rock and Stock Investments cc.

Mr Joshua Hattingh has more than 11 years experience as a geologist, of which the last nine have included exploration and mineral resource estimation for a variety of deposits throughout Southern Africa. This experience is sufficient experience which is relevant to the style of coal mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Joshua Hattingh consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information relating to the Mmamantswe Resource Estimate, is based on information compiled by Mrs. Cecilia Hattingh, who is a Member of the South African Council for Natural Scientific Professions and the Geological Society of South Africa (both recognized overseas professional organizations – "ROPO"), and is a member and principal geologist at Rock and Stock Investments (Pty) Ltd.

Mrs. Cecilia Hattingh has sufficient experience which is relevant to the style of coal mineralisation and type of deposit under consideration and to the activity which she is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mrs. Cecilia Hattingh consents to the inclusion in the report of the matters based on her information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity



ABN

31 009 235 956

Quarter ended ("current quarter")

31 December 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(407) (610)	(1,102) (1,196)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	108	133
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other Income – sub-lease rental	70	217
Net Operating Cash Flows	(909)	(2,018)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c)other fixed assets (d)security deposits	- - (4) -	- - (4) -
1.9 Proceeds from sale of: (a)prospects (b)equity investments (c)other fixed assets (d)security deposits	- - 0 0	- - 3 5
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(4)	4
1.13 Total operating and investing cash flows (carried forward)	(913)	(2,014)

1.13	Total operating and investing cash flows (brought forward)	(913)	(2,014)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Payments of share issue costs	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(913)	(2,014)
1.20	Cash at beginning of quarter/year to date	5,872	6,974
1.21	Exchange rate adjustments to item 1.20	-	(1)
1.22	Cash at end of quarter	4,959	4,959

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	234
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

1.23 Salaries, directors fees and consultants fees paid to directors and associates of directors

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities		
3.2	Credit standby arrangements		

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	-
Total		100

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	959	571
5.2 Deposits at call	4,000	5,300
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	4,959	5,872

Changes in interests in mining tenements

Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed		
6.2	Interests in mining tenements acquired or increased		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	118,641,825	118,641,825		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities (description)				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options (description and conversion factor)	8,200,000	Nil	<i>Exercise price</i> \$0.40	<i>Expiry date</i> 31 December 2010
	250,000	Nil	\$0.91	31 December 2010
	250,000	Nil	\$0.93	31 December 2010
	250,000	Nil	\$1.02	31 December 2010
	250,000	Nil	\$1.14	31 December 2010
	250,000	Nil	\$1.28	31 December 2010
7.8 Issued during quarter				
7.9 Exercised during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.10 Expired during quarter				
7.11 Debentures (totals only)				
7.12 Unsecured notes (totals only)				

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here: *Robert Kirtlan*

Date: 28 January 2010

Print name: Robert Kirtlan - Director

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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