



QUARTERLY REPORT 31 MARCH 2008

HIGHLIGHTS

ELS 71 2008

During the past quarter, Aviva Corporation Ltd (ASX: AVA; BSE: AVIVA) continued its progress toward becoming an integrated energy provider.

Key achievements include:

- Appointment of Mr Tony Iannello as Chairman. Mr Iannello was previously Managing Director of Western Power and a Group Finance Executive for Bank West.
- Ministerial approval of PER level of environmental assessment for the Coolimba Power project in WA.
- Advanced discussions with equipment suppliers for the 400MW Coolimba power station.
- 1.3 billion tonne resource estimated for the Mmamantswe project in Botswana.
- Formation of an Advisory Committee for Southern Africa to assist the company with its corporate and project development objectives.

OUTLOOK

- Nomination of preferred Engineering Procurement and Construction (EPC) equipment supplier for the Coolimba project.
- Selection of preferred Mining Contractor for the Coolimba coal supply.
- Initiate partnership discussions for the Coolimba power station.
- 16,000m drilling program at Mmamantswe to upgrade the resource to reserve status and furnish samples for coal preparation and combustion test work in the second half of 2008.

+ See chapter 19 for defined terms.

COOLIMBA POWER - INTERGRATED ENERGY PROJECT

The Coolimba Power project involves a 400MW power development based on the Central West Coal deposit located 20km south of Eneabba in the Mid West region of Western Australia.

During the quarter a 6,191 metre detailed mine plan drilling program was completed to cover the first three years of planned production. Minserve is now incorporating the drilling results into a Definitive Feasibility Study (DFS) for expected completion in the September quarter. A mining contractor will be selected during the quarter to contribute to the DFS process, provide costings for financing purposes later this year and to enter into a long term partnering contract to operate the coal mine. The DFS and the mining contract will form the key elements of the coal supply agreement for the power station

The drilling program also outlined a 700m strike extension to the deposit which will be followed up with a separate drill program in the June quarter, to establish whether the extension can be incorporated into the resource.

Hydro geological testing and modelling conducted by Rockwater during the quarter has highlighted larger than expected dewatering volumes from the local mine aquifer to maintain dry mining conditions. Investigation into an appropriate method of disposing of surplus water is underway.

Owner's engineer, PB Power has determined that the modelled dewatering quantities from the coal mine could be evaporated by water cooling the power station. The water quality, although not ideal for water cooling, would be satisfactory. Engineering studies and an audit of the hydro geological modelling will be completed to confirm the water cooling assumptions. While dewatering will add to the cost of mining, water cooling the power station will reduce its capital costs, operating costs, and the unit coal consumption and carbon output by about 10% in comparison to air cooling. Aviva had previously proposed an air cooled power station to avoid extracting water from regional aquifers.

During the quarter the Minister for the Environment approved the EPA's recommendation of Public Environmental Review (PER) level of assessment for the project. The company and its consultants, URS, are working to submit the PER document in mid 2008.

As a result of discussions with PB Power and potential equipment suppliers, the transmission lines and switchyard have been placed outside the battery limits for the power station EPC contract. PB Power drafted the engineering specification for these items during the quarter.

Desulphurisation in the Coolimba power project will require the addition of limestone. A request for proposal has identified a number of local suppliers capable of providing the quantity of limestone required to remove sulphur emissions for the life of the project.

+ See chapter 19 for defined terms.

The company and its advisor Citi have commenced formal discussion with interested equity partners for the Coolimba power project with selection of a preferred partner by mid year. Potential debt and equity financiers will be formally approached in the June quarter of 2008.

During the quarter, the Company also commissioned a study by the Cooperative Research Centre for Greenhouse Gas Technologies (CO2CRC) into the potential for the underground storage of carbon dioxide in WA's Mid West region. The \$250,000 study is a major step toward low emission power generation in WA and will position Coolimba Power among the first commercial projects to adopt this technology in the world.

A separate web site for Coolimba Power which hosts important background information for the project can be accessed at www.coolimbapower.com.au

MMAMANTSWE PROJECT BOTSWANA

During the quarter Aviva reached a significant milestone with the announcement of a 1.3 billion tonne indicated resource for the Mmamantswe coal project in Botswana. Geological modelling indicates the deposit will have a very low stripping ratio of around 1 bcm of waste per tonne of coal.

Washability test work shows that the coal can be beneficiated to produce a 19-20MJ/kg thermal coal with a moderate ash content of 25-30% and a sulphur content of less than 0.5%. The washability yields of around 45% indicate 600Mt of washed product could be produced from the deposit.

During the quarter, the South African power utility Eskom, issued a request for information on coal deposits capable of supplying coal for 40-60 years. Aviva has submitted a proposal to supply between 6-12Mtpa of washed coal. We do not expect a response to the proposal until the September quarter.

A comparison of the specification sought by the Eskom Request for Information (RFI) and the washability test work completed on the Mmamantswe project at relative densities of 1.80 and 1.90 is tabled below.

INDICATED RESOURCE		RD 1.90	RD 1.80	ESKOM RFI
Ash	% ad	30.1	25.2	<50
Calorific Value	GJ/t ad	18.3	20.1	12 - 25
Inherent Moisture	% ad	5.4	5.8	12 (%TM)
Sulphur	% ad	0.4	0.4	<2.5
Volatiles	% ad	24.1	25.6	18 - 34
Cumulative Yield	%	52.5	42.2	NA
Tonnes	Mt	662.9	504.5	380 - 790

+ See chapter 19 for defined terms.

The washed coal from Mmamantswe comfortably meets the Eskom specification and volume requirements. The competitive advantages offered by Mmamantswe coal are low sulphur content, large tonnage and proximity to new power stations currently under construction just across the border in South Africa.

The company continues to progress its 1,500MW power generation proposal. The increase in the resource to 1.3 billion tonnes will enable Mmamantswe deposit to supply both 6Mtpa for external sales and 6Mtpa for a 1,500MW power development.

PB Power is drafting a Request for Proposal which will invite offers from selected equipment suppliers for the construction of the power station. It is expected that this will be issued shortly.

A Reserve drilling program has commenced at Mmamantswe, with three drill rigs mobilising to site. The program of 16,000 metres is designed to;

- Upgrade 50% of the resource to reserves.
- Provide samples for coal quality test work.
- Provide samples for coal preparation test work and design
- Provide resource and geotechnical information for a Mine Feasibility Study.

The total program is budgeted at around \$3 million. Drilling is expected to be completed by the end of August and the coal preparation test work will be completed by the end of the year.

Project Geological firm, Rock & Stock will again assume responsibility for all aspects of the drill program. Rock & Stock have engaged two Botswana geologists who will be working on this program.

Coal preparation test work will be supervised by AB Mylec, a Queensland based coal preparation consultant with a presence in South Africa. The laboratory analysis will be undertaken at the Witlab coal laboratories in Witbank, South Africa.

A water exploration program has been commissioned and the desktop phase has been completed, identifying potential water sources sufficient to wash 6Mtpa of coal and supply a 1,500MW power station. An exploration drilling program is being rolled out which will be completed this year. The total cost of this program is estimated at \$1.4 million. The field water program is being undertaken by KLMCS and Arcus Gibb through their offices in Botswana.

Aviva has commenced discussions with potential customers for power in the Southern African Power Pool, and is confident that the demand outlook for Independent Power Producers (IPP's) looks extremely robust in the next decade. During the quarter Eskom cut power supply to major mining companies by 10%. Eskom has commenced construction of the next major base load power station but this will not be commissioned until at least 2012.

+ See chapter 19 for defined terms.

BUSINESS DEVELOPMENT

Aviva continues to review opportunities in the fuel and generation sectors in Australia and Africa. Opportunities under review include coal and gas resources, export development opportunities, and generation projects.

CORPORATE

During the quarter Mr. Tony Iannello was appointed Chairman. Mr. Iannello will bring to Aviva considerable experience in the energy and finance sectors, and replaces Mr. Peter French who has retired from the Board after six years as Chairman.

Until April 2006, Mr. Iannello was Managing Director and CEO of Western Power, the state-owned power utility in Western Australia. In this role Mr Iannello oversaw the disaggregation of the utility into separate generation, retail and network entities. Prior to this he held senior management positions with Bankwest, including General Manager of Corporate Service and Finance, and Head of Strategic Planning.

The Board extends its gratitude to Mr French for his service and wishes him well in his retirement.

FINANCIAL

Cash reserves at the end of the quarter stood at approximately \$22 million.

The funds are to be used to further the pre-development programs for integrated energy projects at Coolimba and Mmamantswe, to pursue new project opportunities and for corporate and administrative expenditure.

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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.

+ See chapter 19 for defined terms.

The Coolimba Power Project will be on 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

Competent Person Statements

The information relating to the Central West Coal Project, is based on information compiled and reviewed by Mr. William Agg, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Agg has more than 35 years experience as a geologist, of which the last 20 have included exploration and mineral resource estimation for a variety of deposits throughout Western Australia. This experience is more than adequate to qualify him as a Competent Person for the purposes of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (JORC Code).

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.

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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 March 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(1,274)	(3,749)
(b) development	-	-
(c) production	-	-
(d) administration	(1,779)	(2,718)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	160	327
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other – R&D rebate	-	-
Net Operating Cash Flows	(2,893)	(6,140)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(18)	(52)
(d) security deposits	-	-
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
(d) security deposits	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(18)	(52)
1.13 Total operating and investing cash flows (carried forward)	(2,911)	(6,192)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,911)	(6,192)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	1,300	29,150
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	(6)	(1,156)
	Net financing cash flows	1,294	27,994
	Net increase (decrease) in cash held	(1,617)	21,802
1.20	Cash at beginning of quarter/year to date	23,926	511
1.21	Exchange rate adjustments to item 1.20	4	-
1.22	Cash at end of quarter	22,313	22,313

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	648
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		

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	850
4.2	Development	-
Total		850

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	478	3,005
5.2	Deposits at call	21,835	20,921
5.3	Bank overdraft	-	-
5.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		22,313	23,926

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		

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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 <i>(description)</i>				
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 <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	8,200,000	Nil	<i>Exercise price</i> 40 cents	<i>Expiry date</i> 31 December 2010
7.8 Issued during quarter	250,000	Nil	91 cents	31 December 2010
7.9 Exercised during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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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: *Greg Corner*

Date: 29 April 2008

Print name: Greg Corner – Company Secretary

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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