

ASX Release

Securities offer by Challenger Life No. 2

NOT FOR DISTRIBUTION OR FOR RELEASE IN THE UNITED STATES

27 August 2007, Sydney – Challenger Financial Services Group Limited (ASX:CGF) today announced that it was looking to approach the US Private Placement market for the issuance of subordinated notes of up to \$500 million by Challenger Life No. 2 Limited.

The notes will have a maturity of 30 years, with a non-call period of 10 years.

An application will be made to APRA for approval of the notes as an Instrument of Issue for regulatory capital purposes.

Ends

The notes will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements