

MARKET RELEASE

CIF CLOSES FX HEDGING POSITION NETTING \$66 MILLION

31 July 2009, Sydney - Challenger Infrastructure Fund (CIF) today announced that it has closed out its foreign currency hedging contracts, netting the Fund \$66 million.

As part of CIF's ongoing capital management initiatives CIF has closed its foreign currency hedging position. Proceeds from the terminated contracts, which had contract prices well in excess of current market levels, were approximately \$66 million. This cash, in addition to the existing cash on hand, places CIF in an improved liquidity position with \$140 million available for further capital management initiatives.

CIF is currently unhedged against foreign exchange movements, but will continue to assess its foreign currency hedging policy against prevailing market conditions.

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About Challenger Infrastructure Fund (CIF):

CIF is an Australian publicly listed global diversified infrastructure fund that invests in regulated and contracted monopoly-like assets. CIF has a portfolio of assets which are diversified by sector and also geographical location and focuses on countries with relatively stable political and regulatory environments. CIF takes a disciplined approach to the types of assets in which it invests in order to provide security holders with exposure to assets with long term predictable cash flows. CIF's portfolio is diversified across 3 key assets: Inexus, Southern Water and LBC. For further information please visit our website: www.challenger.com.au/cif

Important notice:

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Challenger and/or CIF, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.