

MARKET RELEASE

CIF COMPLETES 1 FOR 4 ENTITLEMENT OFFER

16 July 2007, Sydney – Challenger Infrastructure Fund (ASX: CIF) today announced the successful completion of the retail component of its Entitlement Offer announced on 18 June 2007 to raise approximately \$262 million (69 million Class A securities).

Combined subscriptions under the institutional and retail components of the entitlement offer, including oversubscriptions, totalled approximately \$249 million (representing approximately 95% of the total Class A Securities offered). Eligible retail holders who applied for oversubscriptions under the retail entitlement offer have been allocated all oversubscription securities applied for, in addition to their full entitlement quantity. Proceeds from the Entitlement Offer will be used to strengthen CIF's balance sheet position repaying debt facilities that were drawn down to partially fund the acquisition of LBC.

CIF Chief Executive, Steve Bickerton said, "It is very pleasing to see the retail appetite matching the strength of the institutional support for the Offer and reinforces the positive feedback received following the acquisition of LBC. The completion of the Entitlement Offer leaves the Fund debt free and in a position of financial flexibility to fund future acquisitions. CIF continues to seek investment opportunities within the growth orientated infrastructure and utilities space whilst maintaining its disciplined approach to adhering to its investment criteria."

Approximately 16.5 million new Class A Securities issued under the Final Allotment will be allotted on 19 July 2007 and commence trading on 23 July 2007. This final allotment will bring the total number of new Class A Securities issued as part of the entitlement offer to approximately 69 million and the total number of all Class A Securities in the Fund to approximately 300.3 million.

The Offer was fully underwritten by Deutsche Bank AG and UBS AG.

CIF is forecast to deliver a total distribution of 32.1 cents per Security for the year ending 30 June 2007 and a total distribution of 34.0 cents per Security for the year ending 30 June 2008, representing 6% growth in distributions over that period. CIF is targeting medium term distribution growth of 5% per annum. CIF expects distributions for the years ending June 2007 and June 2008 to be approximately 80% and 65% tax deferred, respectively.