

MARKET RELEASE

SUCCESSFUL COMPLETION OF INSTITUTIONAL COMPONENT OF ENTITLEMENT OFFER

21 October 2005, Sydney – Challenger Infrastructure Fund (CIF –ASX:CIFCA) today announced it had successfully completed the institutional component of its 1 for 3 non-renounceable entitlement offer at \$1.75 per security partly-paid. The offer was fully subscribed through a combination of existing institutions, new institutions and retail brokers.

Through the institutional offering, CIF has raised approximately A\$142.1 million on a fully-paid basis via the issue of approximately 40.6 million new Class A securities - expected to be issued on 7 November 2005.

The balance of the offer will comprise the retail entitlement offer, which closes on 16 November 2005. The retail entitlement offer is an offer to retail holders at the same pro-rata price of one new Class A security for every three securities held on 24 October 2005 (record date). CIF will raise an additional A\$67.9 million of capital via the fully underwritten retail entitlement offer.

Retail holders in Australia and New Zealand who wish to take up their entitlements need to complete the acceptance form accompanying the product disclosure statement. Eligible holders will be sent a product disclosure statement on or around 28 October 2005.

As previously announced, Challenger Life has agreed to subscribe in full for its entitlement of approximately 30 million Class A securities. Due to robust investor interest, Challenger Life has also entered into sub-underwriting arrangements in relation to the retail entitlement offer. Challenger Life anticipates that following completion of the offer its shareholding will remain unchanged at 50 per cent.

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