MARKET RELEASE

CIF SUCCESSFULLY COMPLETES INSTITUTIONAL COMPONENT OF 1 FOR 4 ENTITLEMENT OFFER

20 June 2007, Sydney – Challenger Infrastructure Fund (ASX: CIF) today announced the successful completion of the institutional component of the Entitlement Offer announced on 18 June 2007 to raise approximately $262 million (69 million Class A Securities).

Under the institutional component of the entitlement offer, eligible institutional holders were invited to subscribe for one New Class A Security for every four existing securities held, at an issue price of $3.80 per New Class A Security.

The institutional entitlement, which represents the majority of the Entitlement Offer, has been strongly endorsed by existing institutional holders with over 95% of eligible institutional holders participating in the offer.

CIF Chief Executive, Steve Bickerton said, "We are very pleased with the strong support received from existing investors. Proceeds from the Entitlement Offer will be used to repay debt, enabling CIF to maintain financial flexibility in funding future asset acquisitions."

Settlement of the institutional entitlement offer is expected to occur on 4 July 2007, with allotment and quotation on 5 July 2007.

The Entitlement Offer has been fully underwritten by Deutsche Bank AG and UBS AG.

A Product Disclosure Statement (PDS) has been lodged with ASIC and will be mailed to existing holders on or around 25 June 2007. The retail entitlement offer is expected to open on 25 June 2007 and close on 13 July 2007. The securities issued under the retail entitlement offer are expected to be allotted on 19 July 2007.

For further information a copy of an investor presentation and the PDS is available for download at www.challenger.com.au/cif .

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