

5 July 2007

Mr Adrian Smythe
ASX
Exchange Centre
20 Bridge St
Sydney NSW 2000

Sydney

Level 15, 255 Pitt Street
Sydney NSW 2000 Australia
GPO Box 3698
Sydney NSW 2001
www.challenger.com.au

Telephone 02 9994 7000
Facsimile 02 9994 7777

Dear Mr Smythe,

CIF Entitlement Offer – Initial allotment

In accordance with the Appendix 3B which was lodged with the ASX on 22 June 2007, we confirm that 52,536,022 Class A securities were allotted in the Initial Allotment and will commence trading today.

Yours sincerely



Suzanne Koepfenkastrop
Company Secretary