

MARKET RELEASE

INEXUS GRANTED WATER INSET APPOINTMENT

18 October 2007, Sydney – Challenger Infrastructure Fund (ASX:CIF) has today announced that Independent Water Networks Limited (IWNL), a subsidiary of Inexus Group Holdings Limited (Inexus), has been granted an inset appointment by Ofwat (the Water Services Regulation Authority).

Inset appointments allow for a supplier to be replaced by another for a specific geographic area. The appointment relates to the provision of water and waste water services for a 950 home development in Northamptonshire and has been granted following the completion of a consultation process conducted by Ofwat, as advised to the ASX on 22 August 2007.

CIF's Chief Executive, Mr Steve Bickerton said: "This is the culmination of a two year process for Inexus. Securing this appointment places Inexus in a position to offer gas, electricity, water and waste water connections for this site. It also opens the door for Inexus to offer developers multiple utility connections, which places it in a highly competitive position relative to other single utility service providers."

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