

MARKET RELEASE

INEXUS SECURES LONDON'S KING'S CROSS REDEVELOPMENT

22 December 2009, Sydney - Challenger Infrastructure Fund (CIF) today announced that Inexus has secured the mandate to provide multi-utility services for London's King's Cross Central development.

King's Cross Central is Central London's most significant new development comprising 67 acres of brownfield site with outline planning permission to create 8 million sq feet of mixed use property including 2,500 new homes (including student housing). The first building will be occupied by University of the Arts London in September 2011, with homes and offices rolling out from 2012. This flagship development is one of the first in the UK to secure reduced carbon emissions through its planning agreement.

The development comprises 2,500 new homes (including 650 student units), 5.5 million sq feet of prime mixed use commercial space, and other cultural and community uses including the university. Inexus is to provide electricity, water, wastewater, fibre, gas and distribution heating networks on the development over an estimated 11 year construction period. The total use-of-system revenue is equivalent to 44,000 traditional gas connections across the project.

"We are excited to be involved in a project as ambitious and innovative as King's Cross Central. Our use of district heating and other energy-efficient technologies will ensure that King's Cross Central sets the standard for sustainable construction practices throughout the UK" commented Phil Gibb, Chief Executive Officer of Inexus

"This is the culmination of a two years development process of the multi-utility strategy and forward thinking and innovation of the team to develop and market this model has allowed Inexus to remain at the forefront of developer requirements and to solidify its reputation within the industry."

Steve Bickerton, Chief Executive of CIF said, "This achievement highlights the strength of the Inexus management and its ability to find and secure long term capital accretive opportunities for CIF securityholders. Inexus management has been working hard developing its multi-utility strategy, a strategy which places it in a highly competitive position relative to other single utility service providers, and securing the King's Cross Central development opportunity demonstrates the strength and future growth possibilities embedded in Inexus' new business model for CIF investors."

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Further enquiry: Jenny Warat, Investor Relations, Challenger Financial Services Group, 02 9994 7663
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About Challenger Infrastructure Fund (CIF):

CIF is an Australian publicly listed global diversified infrastructure fund that invests in regulated and contracted monopoly-like assets. CIF has a portfolio of assets which are diversified by sector and also geographical location and focuses on countries with relatively stable political and regulatory environments. CIF takes a disciplined approach to the types of assets in which it invests in order to provide security holders with exposure to assets with long term predictable cash flows. CIF's portfolio is diversified across 2 key assets: Inexus and LBC. For further information please visit our website: www.challenger.com.au/cif

Important notice:

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Challenger and/or CIF, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.

About King's Cross Central

King's Cross Central (www.kingscrosscentral.com) is the most significant development and regeneration opportunity in central London.

Outline planning permission has been granted for a high density development of nearly 8 million sq ft. The outline permission includes up to 4.9 million sq ft of offices, 500,000 sq ft of hotel accommodation, 500,000 sq ft of retail, 2,000 new homes, 20 new streets, 10 new major public spaces and the restoration of 20 historic buildings and structures which are to be retained and refurbished. As buildings come forward their detailed designs will be submitted for reserved matters approval by Camden.

The development which has the best public transport accessibility in London with access to 10 rail and underground lines and two major rail termini – St Pancras International and King's Cross main line station.

For more information on King's Cross Central contact:

Kate Fisher, London Communications Agency, on 020 7612 8480 / 07977 141216 or via kf@londoncommunications.co.uk

About KCCLP

King's Cross Central is being developed by the King's Cross Central Limited Partnership, acting by its general partner, the King's Cross Central General Partner Ltd (KCCGP). The KCCGP Board is chaired by Sir David Clementi and is currently a partnership between three companies which all have seats on the Board. These are:

- **Argent King's Cross Limited Partnership (AKXLP)** – is backed by Argent Group, one of the UK's best respected property development companies and Hermes Real Estate on behalf of the BT Pension Scheme. Argent is the Asset and Development Manager for King's Cross Central. (www.argentgroup.plc.uk)
- **London & Continental Railways Limited (LCR)** - delivered the multi-award winning High Speed 1 railway, including the restoration of St Pancras International, on time and to budget. (www.stpancras.com / www.highspeed1.com)
- **DHL** - is a world-class provider of supply chain solutions. (www.dhl.com)

King's Cross Central General Partner Board Members are:

Sir David Clementi (Chairman), Peter Freeman (Argent), Roger Madelin (Argent), David Partridge (Argent), Alasdair Evans (Hermes Real Estate), Stephen Jordan (LCR), David Joy (LCR), John Casey (DHL), Roger Mann (DHL)

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