

MARKET RELEASE

CIF receives confidential letter from Arkmile

25 June 2008, Sydney – Challenger Listed Investments Limited (CLIL) as Responsible Entity for Challenger Infrastructure Fund (ASX: CIF) has received a letter marked “Strictly Private and Confidential” from its second largest securityholder Arkmile Limited, a subsidiary of the UK based Consensus Business Group (an 18.57% securityholder in CIF).

The letter notes the current trading environment for listed infrastructure funds and outlines a number of possibilities for the Fund including further capital management, asset sales and the possible winding up of the Fund. The letter does not contain any formal request or proposal in relation to the wind up of the Fund.

This letter follows an earlier incomplete non-binding proposal received from Arkmile to acquire CIF’s listed Class A securities and unlisted Class B securities for \$3.50 per unit. These discussions terminated on the 22 May 2008 given CLIL had not received a formal proposal in a form capable of being put to securityholders.

The CLIL Board is committed to acting in the best interests of all securityholders as evidenced by:

- the successful sale of the Fund’s minority interests in Northern Gas Networks, Wales & West Utilities and Arqiva at prices above the Fund’s Net Asset Value;
- repayment of all Fund level senior debt¹; and
- confirmation that over 90% of future distributions will be funded from operating cashflows and the balance funded from retained cash balances held by the Fund and its assets.

ENDS

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 securityholders with a predictable and stable yield with the additional benefit of potential capital growth. CIF’s portfolio is diversified across three key assets: Inexus, Southern Water and LBC.

For further information please visit our website: www.challenger.com.au/cif

¹ Following completion of the Arqiva sale in September 2008.