

ASX RELEASE

**INEXUS' WATER LICENCE PROPOSED TO BE
GRANTED FOLLOWING CONSULTATION PERIOD**

22 August 2007, Sydney – Challenger Infrastructure Fund (ASX: CIF) today announced that The Water Services Regulation Authority (Ofwat) has proposed to grant an “inset water licence” to Independent Water Networks (IWNL) a subsidiary of Inexus Group Holdings Limited (Inexus) subject to a 28 day consultation process.

IWNL has applied for an “inset water licence” at a housing development in Northamptonshire, located within the Water Supply Area and the Sewerage Services Area of Anglian Water Services Limited (Anglian Water). Currently, this site does not receive a supply of water or sewerage services and IWNL will purchase these services from Anglian Water for its customers.

Ofwat considers that this proposal, if implemented, will increase competition in the provision of water and sewerage services. The developer of the site has also stated that it wants IWNL to be the water and sewerage provider for the site. Ofwat’s proposal is attached.

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