

ASX RELEASE

LBC TAKES STRATEGIC STEP INTO ASIA WITH SHANGHAI TERMINAL

22 August 2007, Sydney – Challenger Infrastructure Fund (ASX: CIF) has today announced that LBC Group (LBC) has entered into a strategic partnership with Singapore based Great Eastern Providence Group as part of a broader strategy to build a presence in the rapidly growing Asian liquid bulk terminal market.

LBC has signed a Sale and Purchase Agreement to acquire 90% of GEP Asia Terminals Pte Ltd (GAT) for SGD\$32 million¹. GAT owns 70% of Eastern Tankstore Shanghai Shipping Ltd (ETSSL), a 54 tank, 66,200m³ bulk liquid storage terminal located on the Yangtze River in Shanghai. GAT's parent company, Eastern Tankstore Pte Ltd a subsidiary of Great Eastern Providence Group, will retain 10% of GAT and enter into a services agreement to manage the Shanghai terminal until December 2011.

Together, LBC and Great Eastern Providence Group will focus on identifying additional opportunities through investments in both operating terminals and development projects.

“We are excited by this first step into the fast growing Chinese economy and look forward to increasing LBC's interests through this and other future projects that will expand our global footprint” said LBC Group Chief Executive Officer, Niels von Hombracht.

CIF Chief Executive, Steve Bickerton said “This is a positive step for LBC. By partnering with a local operator with over ten years experience in the Chinese market, LBC has a low risk entry point into the Asian market. Building a presence in Asia complements LBC's existing operations and is key to being able to offer its customers a global storage solution. It is pleasing to see such a strategic partnership sourced for LBC by Challenger so soon after CIF's acquisition of LBC. The development of LBC's growth platform through a transaction like this highlights CIF's investment strategy to acquire assets that are platforms with future growth potential.”

ENDS

¹ As part of the acquisition price, LBC will retain GEP existing debt of US\$3.0 million. The loan will be translated into Singapore dollars on financial close, expected to be September 2007..