

MARKET RELEASE

CIF AND ARKMILE REACH SETTLEMENT

8 August 2008, Sydney – Challenger Infrastructure Fund (ASX: CIF) today announces that Challenger Listed Investments Limited (CLIL) and Arkmile Limited (Arkmile) have reached an agreement which resolves their recent disputes with each other.

Under the agreement, Arkmile has:

- Requested that CLIL cancel the meeting of CIF securityholders to consider the resolution to wind up CIF (and has agreed that it will not requisition any meetings of members of CIF for a period of 12 months). As a result, the meeting of CIF members to be held on 28 August 2008 is to be cancelled. A formal notice of cancellation of the meeting will be published shortly in accordance with CIF's Constitution.
- Agreed to discontinue the proceedings it has commenced in the Supreme Court of NSW relating to the entitlement of CLIL and other defendants from voting any securities they hold in CIF on the winding up resolution.

Also, CLIL has agreed to request the Takeover's Panel to give its consent to the withdrawal of its application in respect of Arkmile's holding of CIF securities and cash settled equity derivatives. This was agreed on the basis, among other things, that Arkmile has warranted that it does not have any control over the voting rights to the CIF securities underlying its equity derivative positions and has also agreed that it will not (directly or indirectly) seek to have any such CIF securities voted at any meeting of CIF.

Ms Brenda Shanahan, the Chair of CLIL said "This is the optimal outcome for all of CIF's securityholders."

"Post the recent sale of a number of minority interests at or above net asset value, the repayment of fund level debt, and changing the distribution policy to better align future distributions with underlying cash flows, the focus is on the portfolio of high quality infrastructure assets. The Board is not looking to purchase further assets in the near term, and will continue to actively review and evaluate opportunities to maximise value for securityholders. This would include supporting any bona fide offers to acquire CIF at an appropriate value."

ENDS

Further enquiry: Jenny Warat-Hughes, 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 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

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Challenger Infrastructure Fund (CIF Investment Trust 1 ARSN 114 139 703 and CIF Investment Trust 2 ARSN 114 139 632)
Responsible Entity Challenger Listed Investments Limited ABN 94 055 293 644 AFSL 236887