Rule 3.19A.2

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/9/2001.

Name of entity Challenger Financial Services Group Limited (Challenger)
ABN 85 106 842 371

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

Name of Director	Michael Tilley
Date of last notice	18 September 2007

Part 1 - Change of director's relevant interests in securities
In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

Direct or indirect interest	Not Applicable.
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Not Applicable.
Date of change	Not Applicable.
No. of securities held prior to change	Not Applicable.
Class	Not Applicable.
Number acquired	Not Applicable.
Number disposed	Not Applicable.
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Not Applicable.
No. of securities held after change	Not Applicable.
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Not Applicable.

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

Detail of contract	Offer letter dated 17 September 2007 from Challenger to Mr Tilley in connection with the grant of performance rights under the Challenger Performance Plan in lieu of compulsory deferred performance bonus (Offer Letter), as accepted by Mr Tilley on 24 September 2007.
Nature of interest The performance rights are granted in satisfaction of the compulsorily deferred component of Mr Tilley's discretionary performance bonus from Challenger payable on 15 September 2007.	The performance rights will vest over a three year period subject to Mr Tilley's continued employment with Challenger. Vesting of one third of the performance rights will occur on each of the first, second and third anniversary of 15 September 2007, subject to Mr Tilley's continued employment with Challenger on each of those anniversaries. Each performance right will be satisfied by the transfer of one ordinary Challenger share within 30 days of vesting.
Name of registered holder (if issued securities)	Not applicable.
Date of change	24 September 2007.
No. and class of securities to which interest related prior to change Note: Details are only required for a contract in relation to which the interest has changed	Not applicable. Mr Tilley has not previously been granted any performance right under the Challenger Performance Plan.
Interest acquired	269,527 performance rights.
Interest disposed	Nil.
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	$1,500,000.
Interest after change	269,527 performance rights.