

Notice by Challenger Limited (and associates) required pursuant to a Corporations Act Section 259C(2) Exemption

To: **Challenger Limited**
(and entities listed in Annexure A)

Shareholder

Name of shareholder: **Challenger Limited (ACN 106 842 371 ("Challenger")**
(and entities listed in Annexure A).

Date of this Notice: **16 May 2011**

1. Previous Notice

The shareholder's previous notice, given pursuant to an exemption under section 259C(2) *Corporations Act 2001*, was dated **2 May 2011**.

2. Total number of voting shares

The total number of voting shares in Challenger Limited ("**Challenger**") in respect of which Challenger or its controlled entities have the power to control voting or disposal ("**Interest**") or to which a derivative exposure is held on the date of this notice is:

Class of shares	Total number of shares	Percentage of total shares in Challenger Limited
Ordinary shares in Challenger	399,980 ordinary shares	0.079%

3. Details of Present Interests and derivatives exposures

On the date of this notice, Challenger or its controlled entities had an Interest in or derivatives exposure to the following voting shares in Challenger, and the Interest or derivatives exposure was of the following nature:

Holder of Interest or Derivatives Exposure	Nature of Interest or Derivatives Exposure	Class and number of shares
Challenger Managed Investments Limited (" CMIL ") as responsible entity of unlisted registered managed investment schemes.	CMIL is a controlled entity of Challenger (within the meaning of Part 2J.2 of the Corporations Act) and CMIL has an Interest or derivatives exposure in Challenger shares as CMIL has a beneficial interest in Challenger shares in CMIL's capacity as a responsible entity of unlisted registered managed investment schemes. The Interest (or derivatives exposure) was obtained by CMIL (as responsible entity of unlisted registered managed investment schemes) by	399,980 ordinary shares

	acquiring Challenger shares on-market on the financial market conducted by ASX Limited in the ordinary course of trading of that financial market.	
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4. Changes (if any) in Interest or Derivatives Exposure since the previous notice

Particulars of each change in, or change in the nature of, the Interests of the shareholder in, or derivative exposure to, voting shares since the previous notice given by the shareholder are:

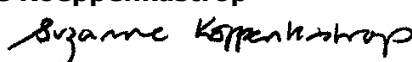
Holder of Interest	Date of Change (if any) - Acquisition or Disposal - since previous notice	Consideration	Nature of change (if any) since the previous notice	Class and number of voting shares
Challenger Managed Investments Limited ("CMIL") as responsible entity of an unlisted registered managed investment scheme.	6 May 2011	Total consideration of \$16,779.72	Sell (on-market)	3,580 ordinary shares

5. Addresses

Name	Address
Challenger Managed Investments Limited, Challenger Limited and each entity listed in Annexure A.	Level 15 255 Pitt Street Sydney NSW 2000

6. Signature

Name: Suzie Koeppenkastrop

Signature:  **Date:** 16 May 2011

Company Secretary
Challenger Limited

This notice (pursuant to a Corporations Act section 259C(2) exemption) comprises 6 pages in total (including **Annexure A**).

Annexure A comprises 4 pages.

Annexure A

This is page 1 of 4 pages of Annexure A referred to in the Notice by Challenger Limited (and associates) pursuant to a Corporations Act Section 259C(2) exemption, signed by me and dated

16/05/2011



Suzie Koeppenkaastrop
Company Secretary

Company/Scheme	ABN/ARSN
Challenger Limited	85 106 842 371
Allfine Holdings Pty Ltd	84 100 231 918
Bentham Asset Management Pty Ltd	140 715 573
Bluezen Pty Ltd	94 100 220 175
CDPG Australia Pty Limited	124 498 095
Cascade Pty Limited	76 096 097 399
CFSG Holdings No. 2 Victoria Pty Limited	107 601 605
Challenger Boutique (GFI) Holdings Pty Limited	123 319 460
Challenger Boutique Ardea Holdings Pty Ltd	133 865 853
Challenger Boutique Holdings Pty Limited	123 318 650
Challenger Boutique Merlon Holdings Pty Ltd	140 715 662
Challenger Boutique Wavestone Holdings Pty Ltd	133 626 276
Challenger Capital Markets Limited	38 099 742 122
Challenger Commercial Lending Limited	65 000 033 143
Challenger Diversified Property Development Pty Limited	121 624 833
Challenger FM Nominees Pty Limited	130 035 353
Challenger Funds Management Holdings Pty Limited	107 728 030
Challenger Group Holdings Limited	50 002 993 302
Challenger Group Pty Ltd	85 003 374 196
Challenger Group Services Pty Ltd	91 085 657 307
Challenger Home Loan Corporation Pty Limited	058 891 302
Challenger Inventory Finance Servicing Pty Limited	36 107 706 810
Challenger LBC Terminals Australia Pty Limited	125 211 770
Challenger Life Company Holdings Pty Ltd	60 006 381 193
Challenger Life Company Limited	44 072 486 938
Challenger Life Holdings Pty Limited	85 080 036 657
Challenger Life Nominees No.2 Limited	34 078 627 013
Challenger Life Nominees Pty Ltd	39 091 336 793
Challenger Financial Services Limited	38 087 464 131
Challenger Listed Investments Limited	94 055 293 644
Challenger Managed Investments (International) Pty Ltd	120 871 212
Challenger Managed Investments Limited	94 002 835 592
Challenger Management Services Limited	29 092 382 842
Challenger Margin Lending Pty Limited	47 091 338 822
Challenger Mortgage Management Pty Limited	72 087 271 109
Challenger Mortgage Pty Ltd	082 014 702
Challenger Non-Conforming Finance Management Pty Ltd	107 707 406
Challenger Non-Conforming Finance Pty Ltd	107 725 486
Challenger Originator Finance Pty Ltd	095 085 466
Challenger Property Asset Management Pty Ltd	90 077 569 021
Challenger Retirement Services Pty Ltd	115 534 453
Challenger Securities (International) Pty Ltd	087 271 225
Challenger Securities (NZ) Pty Ltd	087 271 136
Challenger Securitisation Management Pty Limited	56 100 346 898
Challenger Skybridge (Fund) Holding Company Pty Ltd	130 888 292

Challenger Skybridge (Group) Holding Company Pty Ltd	130 888 327
Challenger Skybridge (Hastings) Holding Company Pty Ltd	130 888 274

Annexure A

This is page 2 of 4 pages of Annexure A referred to in the Notice by Challenger Limited (and associates) pursuant to a Corporations Act Section 259C(2) exemption, signed by me and dated

16/05/2011



Suzie Koeppenkastrup
Company Secretary

Company/Scheme	ABN/ARSN
Challenger Special Servicing Pty Ltd	77 107 707 415
Challenger Strategic Capital Pty Limited	116 411 388
Challenger Superannuation Pty Ltd	52 006 475 501
Challenger Treasury Limited	47 093 307 996
Challenger US Infrastructure Holdings Pty Ltd	117 401 519
Challenger Wholesale Finance Holdings Pty Limited	087 284 240
CPHC Investments Pty Ltd	95 093 340 526
CSPP1 Broadbeach Pty Ltd	122 460 977
CSPP1 Investment Company 1 Pty Limited	120 463 023
CSPP1 Maitland Pty Ltd	122 460 968
CSPP1 Mavis Court Pty Ltd	122 461 983
EMIF Holdings Pty Ltd	130 565 169
Encap Funds Management Pty Limited	125 069 712
Endowment Warrants Limited	45 009 568 503
FXF Holdings Pty Ltd	080 419 512
GasValpo Finance Pty Ltd	003 376 529
Inexus Australian Holdings Company Limited	115 840 661
Maitland Nominee Holdings Pty Limited	122 853 114
Mavis Court Development Co Pty Limited	124 112 956
Mawbury Pty Limited	95 096 097 479
Plan Connect Pty Ltd	120 567 491
Talavera Herring Pty Limited	34 086 068 984
The Liberty Group Consortium Pty Ltd	79 082 564 289
TLG Services Pty Limited	20 092 500 608
TLGH Pty Limited	85 092 927 467
TRE Data Centres Canberra Pty Ltd	141 881 227
Waterford County Pty Limited	122 853 089

Annexure A

This is page 3 of 4 pages of Annexure A referred to in the Notice by Challenger Limited (and associates) pursuant to a Corporations Act Section 259C(2) exemption, signed by me and dated

16/05/2011



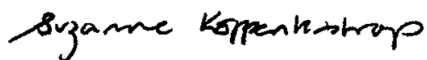
Suzie Koeppenkastrup
Company Secretary

Overseas Companies
Appia Europe Limited
Appia Finance 2 Limited
Appia Finance Limited
Appia Group Limited (Jersey)
Appia Investments Limited
CDPG Luxembourg Holdings SARL
CDPG Luxembourg II SARL
CDPG Luxembuorg SARL
CDPG Malta Limited
Challenger Connections Limited
Challenger Connections Mid Company Limited
Challenger DPG France II SAS
Challenger DPG France SAS
Challenger Group Services (UK) Limited
Challenger Harbourmasters Holdings Jersey Limited
Challenger Holding (Vagyonkezele) KFT
Challenger Hungary International Capital Investment and Management Ltd Liability Company
Challenger Jersey I3 Limited
Challenger Jersey Management Limited
Challenger Jersey Trustee Limited
Challenger LBC Terminals Holding Company Limited
Challenger LBC Terminals Jersey Limited
Challenger LBC Terminals Limited
Challenger Life (UK) Limited
Challenger Luxembourg Holding No. 1A SARL
Challenger Luxembourg Holding No. 1B SARL
Challenger Luxembourg Holding No. 2 SARL
Challenger Management Services (UK) Limited
Challenger MBK Emerging Market Infrastructure Fund Pte. Ltd
Challenger MBK Fund Management Pte. Ltd
Challenger Mortgage Management NZ Limited
Challenger Northern Gas Ltd (Jersey)
Challenger SCR LLP Member Limited
Challenger SkyBridge Fund (LP) Limited
Challenger SkyBridge Fund (SLP) Limited
Challenger South Monaco LLC
Challenger Southern Water Limited
Challenger Structured Credit Management Limited
Challenger Towers Ltd (Jersey)
Challenger UK Tank Storage Limited

Annexure A

This is page 4 of 4 pages of Annexure A referred to in the Notice by Challenger Limited (and associates) pursuant to a Corporations Act Section 259C(2) exemption, signed by me and dated

16/05/2011



Suzie Koeppenkastrup
Company Secretary

Overseas Companies
Challenger UK Terminals Ltd
Challenger Wales and the West Gas Ltd (Jersey)
Challenger Welcome Break Limited
Clashfern Investments (UK) Limited
CMS (UK) Pty Limited
GasValpo Jersey Holding Company Limited
Greensands Holdings Jersey Limited
GV Cayman Company Limited
GV Chile Holding Limitada
GV Chile Limitada
GV Jersey Trustee Company Limited
GV Jersey Trustee Company No. 2 Limited
Inexus Group Holdings
Inexus Group Limited
Interstar Home Loan Corporation NZ Limited (Foreign)
Kabushiki Kaisha C & K
Lazor
Mangro
Namroc
Oikos Limited
Oikos Storage Limited
Rozal
Rozalia Park
Sabrand Limited
SCI Aulnay Invest
SCI Gennevilliers Invest
Structured Credit Research LLP