

MARKET RELEASE

CWT UPDATE

20 January 2011, Sydney – Challenger Wine Trust (ASX:CWT) today announced it has reached an ‘in principle’ agreement¹ to an extension of the lease on its Crownthorpe Vineyard in Hawkes Bay New Zealand for a further 12 months.

Crownthorpe Vineyard is leased by Delegat’s Wine Estate Limited (Delegat’s) and the existing 10-year lease is due to expire on 11 April 2011. The proposed rental for the 12 month extension period is NZ\$0.9 million, down from the current annual rental of NZ\$2.9 million, and reflects the difficult conditions in the New Zealand vineyard sector as outlined in CWT’s Explanatory Memorandum².

In addition, Delegat’s have not renewed the lease on the Gimblett Gravels Vineyards, also located in Hawkes Bay New Zealand, which will expire in April 2011. The current annual rental income for this vineyard is NZ\$0.76 million.

CWT Fund Manager, Nick Gill, commented: “During the one-year extension on Crownthorpe, and should CWT address its gearing issues as outlined in the Explanatory Memorandum, we will consider a significant capital expenditure request from the tenant to fund a change in grape variety on 40% of the planted area, along with the construction of fans to minimise the impact of frosts. Given CWT’s current capital constraints it is not in a position to make such a commitment.

“In relation to Gimblett Gravels Vineyards, we are reviewing options for the vineyards as a result of Delegat’s decision not to renew its lease and we are in early discussions with a number of parties,” Mr Gill added.

With regard to the sale of the Poole’s Rock Vineyard and Winery in the Hunter Valley for \$5 million which was flagged in the Explanatory Memorandum, the conditional period of the contract has been extended. The date for satisfaction by the purchaser of the conditions under the sale contract, namely a finance condition, has now been extended to 21 January 2011. If the purchaser satisfies this condition by that time, the contract will be made unconditional and settlement is scheduled to occur by 15 April 2011.

Commenting on recent flooding impacting rural regions, Mr Gill said: “We continue to monitor the situation, however the high river levels have so far had little impact on CWT’s vineyards and infrastructure along the Murray and Murrumbidgee River valleys.”

ENDS

Important information: On 8 November 2010, Challenger Listed Investments Limited (CLIL), the Responsible Entity of Challenger Wine Trust (ASX:CWT), announced that it had entered a Scheme Implementation Agreement with Hong Kong based CK Life Sciences Int’l., Inc. (CKLS) wherein CKLS agreed to acquire all of the issued units in CWT at \$0.24 per unit, other than the 27.7% of total units on issue owned by Challenger Life Company Limited (CLC) or its controlled entities. The Proposal is subject to the approval of unitholders and certain other conditions being satisfied, including approval from the New Zealand Overseas Investment Office.

¹ The parties have commercially agreed to extend the term of the lease. However, no formal binding legal documentation has been entered into by either party.

² Dated 16 December 2010



The Independent Directors of CLIL unanimously recommend that CWT unitholders approve the scheme resolutions in the absence of a superior proposal. An Explanatory Memorandum (EM) was mailed to unitholders in mid-December 2010. Unitholders are encouraged to read the EM in its entirety before making a decision as to how to vote on the scheme resolutions that will be considered at a meeting of CWT unitholders, scheduled for 31 January 2011. If unitholders are in doubt as to what to do, they should consult their legal, financial or other professional adviser.

Any forward looking statements included in this document are by nature subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and are unknown to, Challenger, so that actual results or events may vary from those forward looking statements, and the assumptions on which they are based.

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