

**Form 603**Corporations Act 2001  
Section 671B**Notice of initial substantial holder**

To Company Name/Scheme	<b>Challenger Energy Limited</b>
ACN/ARSN	<b>ACN 45 123 591 382</b>

**1. Details of substantial holder (1)**

Name	<b>Pitt Street Absolute Return Fund Pty Limited</b>
ACN/ARSN (if applicable)	<b>141150254</b>

The holder became a substantial holder on **16/03/2011****2. Details of voting power**

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in on the date the substantial holder became a substantial holder are as follows:

Class of securities (4)	Number of securities	Person's votes (5)	Voting power (6) % of FP
<b>Ordinary Shares</b>	<b>9,952,447</b>	<b>9,952,447</b>	<b>5.97%</b>

**3. Details of relevant interests**

The nature of the relevant interest of the substantial holder or an associate had in the following voting securities on the date the substantial holder became a substantial holder are as follows:

Holder of relevant interest	Nature of relevant interest (7)	Class and number of securities
<b>Pitt Street Absolute Return Fund Pty Limited</b>	<b>Legal &amp; Beneficial Owner</b>	<b>9,952,447 fp ordinary shares</b>

**4. Details of present registered holders**

The persons registered as holders of the securities referred to in paragraph 2 above are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Class and number of securities
<b>Pitt Street Absolute Return Fund Pty Limited</b>	<b>Pitt Street Absolute Return Fund Pty Limited</b>	<b>Pitt Street Absolute Return Fund Pty Limited</b>	<b>9,952,447 fp ordinary shares</b>

**5. Consideration**

The consideration paid for each relevant interest referred to in paragraph 3 above, and acquired in the four months prior to the day that the substantial holder became a substantial holder is as follows:

Holder of relevant interest	Date of acquisition	Consideration (9)		Class and number of securities
		Cash	Non-cash	
<b>Pitt Street Absolute Return Fund Pty Limited</b>	<b>16/03/11</b>	<b>\$0.15 on market</b>		<b>fp ordinary shares 12,541</b>

Pitt Street Absolute Return Fund Pty Limited	16/03/11	\$0.15 on market		fp ordinary shares 111,909
Pitt Street Absolute Return Fund Pty Limited	15/03/11	\$0.17 on market		fp ordinary shares 100,000
Pitt Street Absolute Return Fund Pty Limited	15/03/11	\$0.175 on market		fp ordinary shares 1,000,000
Pitt Street Absolute Return Fund Pty Limited	15/03/11	\$0.15 on market		fp ordinary shares 50,000
Pitt Street Absolute Return Fund Pty Limited	15/03/11	\$0.15 on market		fp ordinary shares 88,091
Pitt Street Absolute Return Fund Pty Limited	15/03/11	\$0.175 on market		fp ordinary shares 100,000
Pitt Street Absolute Return Fund Pty Limited	5/03/011	\$0.155 on market		fp ordinary shares 200,000
Pitt Street Absolute Return Fund Pty Limited	15/03/11	\$0.174 on market		fp ordinary shares 300,000
Pitt Street Absolute Return Fund Pty Limited	14/03/11	\$0.18 on market		fp ordinary shares 42,166
Pitt Street Absolute Return Fund Pty Limited	11/03/11	\$0.18 on market		fp ordinary shares 57,834
Pitt Street Absolute Return Fund Pty Limited	7/03/11	\$0.19 on market		fp ordinary shares 179,632
Pitt Street Absolute Return Fund Pty Limited	4/03/11	\$0.19 on market		fp ordinary shares 20,368
Pitt Street Absolute Return Fund Pty Limited	4/03/11	\$0.195 on market		fp ordinary shares 161,316
Pitt Street Absolute Return Fund Pty Limited	3/03/11	\$0.195 on market		fp ordinary shares 88,684
Pitt Street Absolute Return Fund Pty Limited	1/03/11	\$0.205 on market		fp ordinary shares 150,000
Pitt Street Absolute Return Fund Pty Limited	28/02/11	\$0.215 on market		fp ordinary shares 250,000
Pitt Street Absolute Return Fund Pty Limited	24/02/11	\$0.14 Convertible Note		fp ordinary shares 1,802,348
Pitt Street Absolute Return Fund Pty Limited	24/02/11	\$0.085 Convertible Note		fp ordinary shares 3,787,558

## 6. Associates

The reasons the persons named in paragraph 3 above are associated of the substantial shareholder are as follows:

Name and ACN/ARSN (if applicable)	Nature of association

## 7. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Pitt Street Absolute Return Fund Pty Limited	14 Macquarie Street Belmont NSW 2280

## Signature

print name

**Kris Knauer**

capacity

**Director**

sign here



date

17/03/2011

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#### DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 7 of the form.
  - (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
  - (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
  - (4) The voting shares of a company constitute one class unless divided into separate classes.
  - (5) The total number of votes attached to all voting shares in the company or voting interests in the scheme (if any) that the person or an associate has a relevant interest in.
  - (6) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
  - (7) Include details of:
    - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
    - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
  - (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
  - (9) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included of any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
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