

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 30/09/01 Amended 01/01/11

Name of entity	Challenger Energy Limited
ABN	45 123 591 382

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 John Fry
Date of last notice	13 August 2010

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	Direct and Indirect
Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest.	Indirect Shares and Listed options held by INXS Pty Ltd, a company of which Michael Fry is a director and shareholder
Date of change	24 February 2011

+ See chapter 19 for defined terms.

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No. of securities held prior to change	<p>Direct 1,050,000 fully paid ordinary shares 525,000 Listed options exercisable at \$0.20 on or before 30 June 2012 500,000 options exercisable at \$0.20 on or before 30 September 2010. 1,000,000 options exercisable at \$0.10 on or before 30 June 2012.</p> <p>Indirect 300,000 fully paid ordinary shares held by INXS Pty Ltd, a company of which Michael Fry is a director and shareholder 150,000 Listed options exercisable at \$0.20 on or before 30 June 2012</p>
Class	Indirect Shares and Listed options exercisable at
Number acquired	Indirect 482,965 Shares and 400,000 Listed options
Number disposed	Nil
Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation	Indirect Shares - \$40,000, Listed options ó free attaching
No. of securities held after change	Direct 1,050,000 fully paid ordinary shares
Nature of change Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back	Acquisition via settlement of loan agreement (approved by shareholders)

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	
Nature of interest	
Name of registered holder (if issued securities)	
Date of change	

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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	
Interest acquired	
Interest disposed	
Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation	
Interest after change	

Part 3 – ⁺Closed period

Were the interests in the securities or contracts detailed above traded during a ⁺closed period where prior written clearance was required?	No
If so, was prior written clearance provided to allow the trade to proceed during this period?	N/a
If prior written clearance was provided, on what date was this provided?	N/a

⁺ See chapter 19 for defined terms.