

For Immediate Release

30 January 2017

Challenger Acquisitions Limited
("Challenger" or the "Company")

**Sale of Starneth with Contingent Consideration and Cooperation
Agreement Signed for Future Giant Observation Wheel Projects**

Challenger Acquisitions Limited (LSE: CHAL) announces that it has disposed of its entire interest in Starneth Europe B.V. and Starneth Holding B.V. ("Starneth") (see acquisition announcement dated 16 July 2015). The sale of Starneth ("the Sale") provides for contingent consideration, an on-going cooperation agreement for Challenger to provide potential funding options for the developers of select Giant Observation Wheel ("GOW") projects and the extinguishing of all cash obligations owing by Challenger to the former owners of Starneth and to any companies controlled by these former owners. The new owner of Starneth is Sungailiat B.V., a company controlled by Chiel Smits, CEO of Starneth.

Contingent Consideration

Upon closing of at least two major development projects by Starneth over the next two years, including the GOW project in Jakarta where developer's funding arrangements are awaiting finalisation, Challenger will receive up to US\$6 million in fees less a payment of €1.25 million related to the cash payment that the Company was due to pay to the former Starneth vendors in two equal instalments on 15 January 2017 and 15 April 2017 (see the Company's announcement dated 23 August 2016). One common equity unit of New York Wheel LLC will continue to be pledged to the former Starneth vendors until this payment of €1.25 million has been completed. Following the Sale, Challenger will retain its equity stake in the New York Wheel LLC, with a minimum of two equity units and up to three equity units depending on the closure of at least one project by Starneth in the next two years.

The cash fees of up to US\$6 million that Challenger would receive are based on two fee agreements signed with Sungailiat/Starneth and are calculated based on the incoming cash receipts from the developers for these projects. The cash payment of €1.25 million from Challenger is contingent on these projects commencing and paid only once Challenger starts receiving these cash fees.

Cooperation Agreement

Challenger and Sungailiat B.V. have signed a five-year cooperation agreement whereby Sungailiat/Starneth can provide the design, engineering and project management for select GOW projects and Challenger can provide potential funding options for the developers of these select projects, including some which may result in an equity stake for Challenger. The terms of

this agreement are similar to those in the cooperation agreement described in the Company's announcement dated 18 March 2015.

Mark Gustafson, Challenger's Chief Executive Officer said: "Mindful of the extended delay in commencing work on the Jakarta project, the long timeline required to commence construction on other Giant Observation Wheel projects and having carefully assessed potential development options for the Company, we consider it to be most prudent for the short and long-term growth prospects of Challenger to divest our interest in Starneth. Importantly, the Sale extinguishes all of our regular cash obligations to Starneth whilst still maintaining our strong relationship with them to ensure that we might benefit from the development of future projects.

"Looking ahead, we have identified additional acquisition opportunities in the leisure and entertainment sectors which we believe have the potential to offer near term revenue generation prospects. We look forward to updating shareholders on these developments as soon as we are in a position to do so. We would finally like to thank shareholders for their patience and support during what has been a frustrating time. Building shareholder value remains our priority as a company."

This announcement contains inside information.

****ENDS****

For more information visit www.challengeracquisitions.com or enquire to:

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