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ASX ANNOUNCEMENT 26 September 2018

Aspen Group acquires Highway 1 Caravan & Tourist Park, Adelaide

Aspen Group Limited (ASX: APZ) is pleased to announce that it has exchanged contracts to acquire the freehold mixed-use affordable accommodation asset, Highway 1 Caravan & Tourist Park (Highway 1). The purchase price of \$23 million reflects a stabilised yield of approximately 9%, excluding acquisition costs. The contract also includes a call option to purchase adjacent expansion land of 4.64 hectares providing the ability to facilitate further expansion of the business.

Highway 1 fronts Port Wakefield Road, a main thoroughfare in the northern suburbs of Adelaide, South Australia. The park offers affordable accommodation in short, extended and long-stay guests on a site of 9.86 hectares. Total inventory of 320 sites comprises a blend of permanent and extended resident accommodation, high-quality tourist cabins, studio-style motel units and traditional campsites. Park features include recently refurbished facilities, 2 outdoor pools, a pool-side camp kitchen and recreational area. Highway 1 is located approximately 30 minutes north of Aspen's Adelaide Caravan Park which together with Highway 1 will form a cluster that is expected to provide operational and distribution synergies.

The acquisition will be debt funded utilising an existing bank facility with a settlement date scheduled for mid-October 2018.

Commenting on the acquisition, Aspen Group Chief Executive Officer Joel Cann said:

"We are pleased to add another high-quality asset to our group portfolio. This acquisition sees the deployment of a significant portion of Aspen's current debt facility into a single asset that delivers sustainable cash flows with limited seasonality.

The acquisition is in-line with Aspen's strategy to purchase growth businesses within the affordable accommodation sector that can enhance earnings of the group."

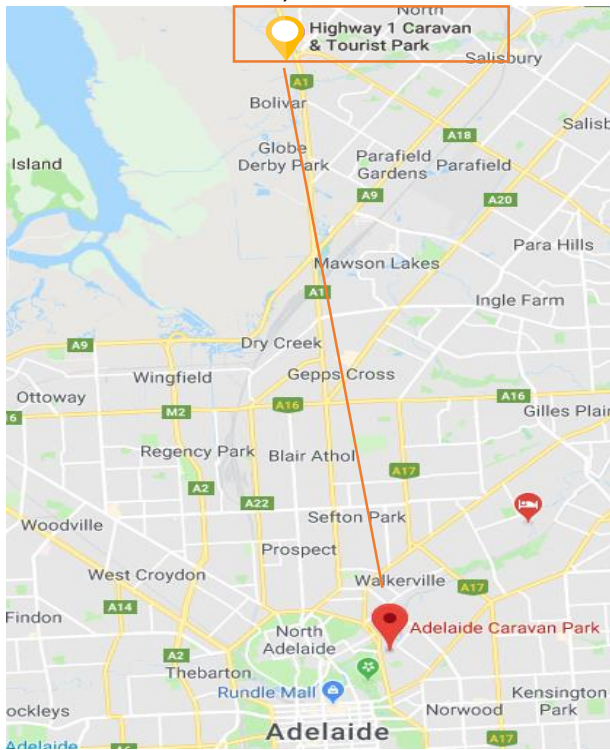
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Highway 1 Caravan & Tourist Park

LOCATION

□ Port Wakefield Rd, Bolivar SA 5110



INVENTORY

COMPOSITION

	Privately owned	Aspen owned	Total
■ Sites	-	132	132
■ Cabins	-	109	109
■ Residences	79	-	79
Total	79	241	320

USAGE MIX

	Permanent-stay	Short-stay	Total
■ Sites	24	108	132
■ Cabins	27	82	109
■ Residences	79	-	79
Total	130	190	320

LOCATION IMAGES



State	Purchase price (\$m)	Approx. Yield	Inventory	Value per unit of inventory (\$k)	Area (ha)	Value per ha (\$m)
SA	23	9.0%	320	72	9.86	2.3