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ASX ANNOUNCEMENT
16 November 2015

Aspen Group
Annual General Meeting 2015

Please see attached copies of the Chairman's address and the Chief Executive Officer presentation to be presented at the Annual General Meeting of Aspen Group today in the Wills Room, Chartered Accountants Conference Centre, 33 Erskine Street, Sydney, NSW at 9:30am.

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Chairman's Address

Good morning Ladies and Gentlemen, welcome to our 2015 Annual General Meeting. My name is Frank Zipfinger. I am the Non-Executive Chairman of Aspen Group, and I have the privilege of being your Chairman for this meeting.

In my Chairman's Report this year I will provide you with a brief overview of the 2015 financial year, reflecting on how we have progressed with our strategy of building a leading A-REIT focused on the accommodation sector. Aspen Group has substantially achieved the objective to become a structurally simple business focussed on value for money accommodation, with a more effective capital structure and a more efficient cost base. Aspen is now largely a pure play accommodation business.

During the 2015 financial year, most of the remaining non-core development assets were sold or contracted for sale, with the key unsold non-core asset being the Spearwood South industrial property. The two remaining debt facilities, in Aspen Group and Aspen Parks Property Fund (APPF), were both extended to September 2017 and on more favourable terms. As the business has simplified, overhead costs have been reduced markedly. Group overheads were down nearly 24% over the first half, reflecting in part the lower cost base of the business due to the relocation to Sydney. For the full year, overhead costs were down nearly 35%.

Operating profit before tax for the year of $10.2 million was down 31% on FY14. This fall largely reflects the progress Aspen Group has made in its strategy of divesting non-core assets. Over the past four years, Aspen Group has sold approximately $500m of non-core assets in some 35 transactions.

Aspen Group's gearing was 35.1% at 30 June 2015 which has increased from nil at 30 June 2014, primarily reflecting the consolidation of APPF. On a "look through" basis (adjusting for the APPF consolidation), gearing was 22.5% at 30 June 2015. Importantly distributions declared for the 2015 financial year totalled 9.0 cents per security, in line with guidance.

It is disappointing to report that Aspen Group recorded a statutory loss for the year of $30.8 million, due largely to further declines in asset values in the resources sector. There was also an impairment of the unsold Spearwood South industrial property.

Income at the parks operating in the resources sector also continues to decline significantly. This reflects the severe cyclical downturn in the resources sector generally, which has been well documented. We are seeking to minimise costs and maintain occupancy volumes in the face of ongoing and significant headwinds in this sector.

However, Aspen Group has secured a lease extension at the Aspen Karratha Village for 150 of the 180 rooms, for 2 years until January 2018, so underpinning the stability of income, albeit at lower earnings levels. Based only on this 83% occupancy, the independent property valuation represents a 12% income yield.

Three resort/tourist properties in Western Australia which are in remote locations, with highly seasonal demand and challenged by competition from holidays involving cheap airfares to Asia, were sold and settled following the 2015 financial year in September.

As per my letter in the 2015 Annual Report, our key aims in FY16 are to: drive operational returns from our existing assets via initiatives around both revenue and costs; continue to deliver on and expand our manufactured housing development pipeline, grow our high quality annuity residential rental streams; complete the exit from the remaining non-core assets; and maintain discipline in assessing acquisition and development opportunities.

Turning to the remuneration report, the outcomes in 2015 mirrored our simplification strategy. In particular:

- all key management personnel fixed remuneration and directors' fees were maintained at prior year levels;
- the short term incentive (STI) pool allocation for FY15 was reduced to 50% of the maximum pool available;
- the average percentage awarded of the maximum STI opportunity was 25%;
- the STI awarded to the CEO was down 44% compared to the FY14 award;
- the deferral period for any short term incentives has been increased to 18 months from 12 months; and
- performance rights which were due to vest at 30 June 2015 were cancelled as they did not meet the performance criteria set by the Board.

Heading into 2016 we will continue to review our remuneration strategy. Particular focus will be on the long term incentive hurdles to ensure they are appropriate for the business model and remain aligned with the interests of our securityholders.

As part of our ongoing capital management and as mentioned earlier, Aspen has secured an extended debt facility with its primary financier in July 2015. The debt limit has increased to $60 million (previously $40 million), with the maturity date extended to September 2017 (previously August 2016). Other terms of the facility are an improvement from the current facility. This new debt facility facilitates Aspen Group's acquisition programme in the accommodation sector, under which we bought Tomago Van Village in NSW in August 2015 and the Adelaide Caravan Park in inner Adelaide, South Australia in October 2015.

We announced in September the proposed merger of Aspen Group and Aspen Parks Property Fund. A revised merger proposal was announced a few weeks ago. The merger represents the final stage in Aspen Group's strategic journey to create a simplified business focused on owning, managing and developing value for money accommodation. The merger would deliver Aspen Group securityholders an increased exposure to a quality portfolio of assets, a forecast 28% increase in FY16 distributions to 12 cents per security up from 9 cents per security in FY15 and significant operating synergies estimated at $1.7 million per annum across the Merged Group. The Independent Expert has concluded that the revised merger proposal is in the best interests of both Aspen Group and Aspen Parks Property Fund securityholders. A securityholder meeting to approve the Revised Proposal is scheduled for Wednesday, 9 December 2015.

After the financial year end, Mr Hugh Martin tendered his resignation as Non-executive Director. Hugh served on the Board from April 2012. He also was interim CEO for a period and during that time was instrumental in the financial restructuring and equity raising which stabilised the Group. I would like to acknowledge and thank Hugh for his service to the Aspen Group and his support of me as Chairman.

Finally, I thank my fellow Board members and all Aspen staff for their dedication and hard work this past year. Most importantly, on behalf of the Board, I thank our fellow securityholders for their support of Aspen Group.

END

Aspen Group
Annual General Meeting

16 November 2015

AGENDA

1. Chairman's report
2. CEO presentation
3. Resolutions

1 Chairman's report
Frank Zipfinger

2

CEO presentation

Clem Salwin

FY15: DELIVERING ON STRATEGY

Strategic focus	❖ Aspen is now substantially a pure-play accommodation business ❖ Strong thematics: demographics; affordability; public policy ❖ Attractive asset pricing
Accommodation operations	❖ Strong performance in core residential / short-stay portfolio offset by weakness in the resources sector ❖ Karratha Village re-leased for further two years ❖ Focus on both driving revenue and cost discipline
Accommodation portfolio growth	❖ Aspen holds 42% of Aspen Parks Property Fund (APPF) ❖ $71m acquisitions at weighted yield of 10.0% (pre costs) ❖ Acquisitions weighted to permanent residents ❖ Manufactured housing development underway
Non-core asset sales	❖ $108m of non-core asset sales announced or settled ❖ Spearwood South only material non-core asset remaining

FY15: DELIVERING ON STRATEGY

Financial performance	❖ FY15 group overheads reduced by a further 35% over FY14, reflecting strong cost focus ❖ Operating profit of $10.2m ❖ NAV per security $1.26 – negatively impacted by devaluation of resources properties and Spearwood South
Disciplined capital management	❖ Strong balance sheet – 30 June 2015 look through gearing 22.5% ❖ Debt refinanced for both Aspen Group and APPF, extending maturities to September 2017 ❖ Securities buyback completed at average price of $1.25 ❖ Completion of APPF entitlement offer
Attractive distribution	❖ FY15 distribution of 9.0 cents per security consistent with guidance

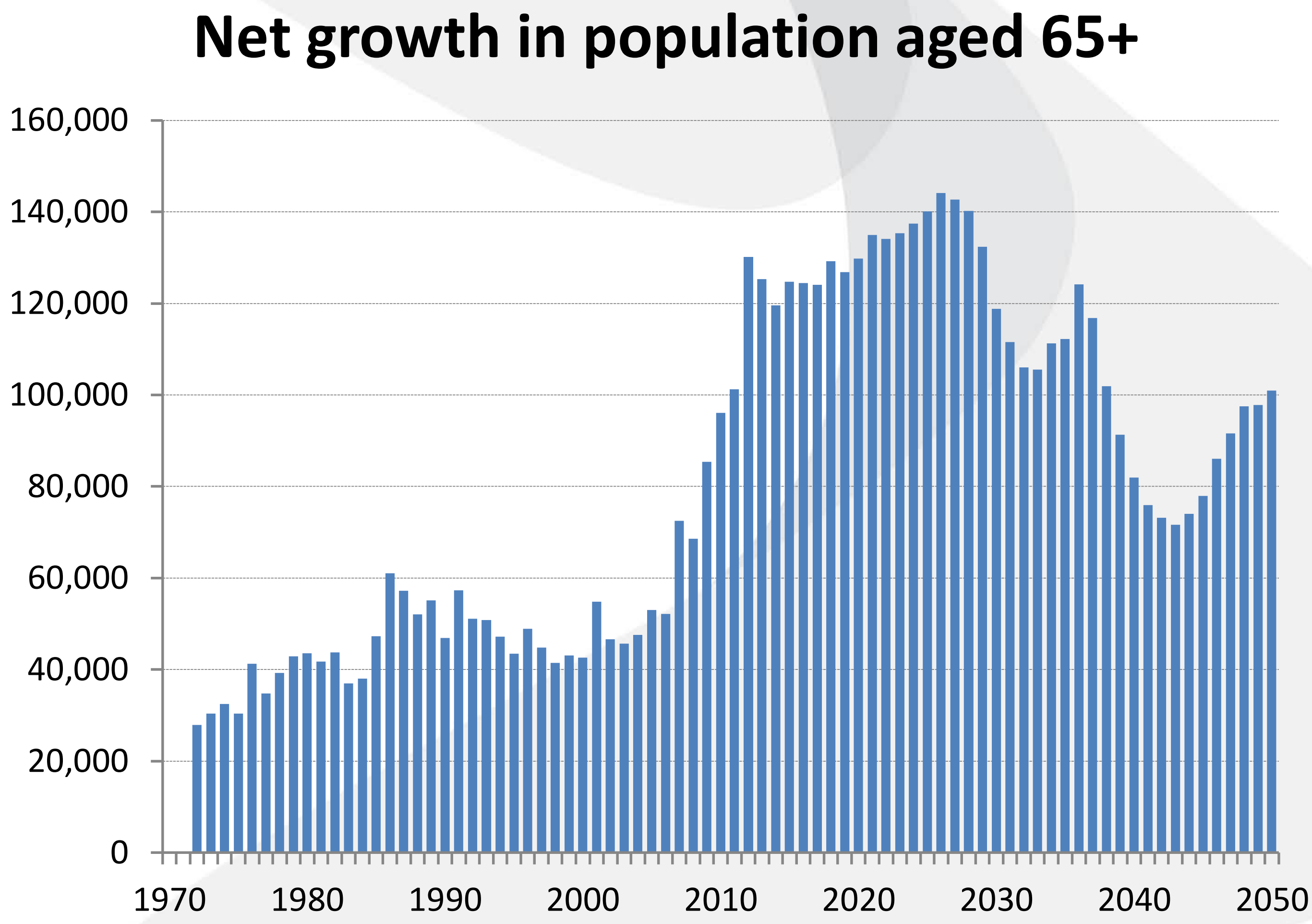
ASPEN GROUP – THE BUSINESS

Strategy	❖ Aspen is now essentially a pure-play value for money accommodation business ❖ Combination of manufactured housing, residential, and traditional short-stay accommodation ❖ Maximise value within existing assets and development ❖ Continue to expand the portfolio with acquisitions that meet thematics
Competitive advantages/ market positioning	❖ Fully integrated management platform: ➢ In-house operations, development and marketing teams ➢ Combine traditional residential and manufactured housing experience ❖ Scale business ❖ One of the largest operators in a consolidating sector ❖ Presence in every mainland state ❖ 11 year experience in the sector

POSITIVE INDUSTRY FUNDAMENTALS

Demographics	❖ Increasing retiree population ❖ Lengthening life expectancy ➢ Inadequate savings drives requirement for capital release from residential down-sizing ➢ More active, self-reliant lifestyle ❖ Drives stronger volumes over time
Social policy	❖ Public policy ➢ Government has moved away from direct accommodation provision ➢ Approach is to focus on rental assistance ❖ Social desire for ageing in-place
Market structure	❖ Housing affordability ➢ Driver of increasing demand ➢ Residential down-sizing releases substantial equity ➢ Residential affordability remains a key issue ❖ Land lease model is efficient and easy to understand, driving consumer acceptance ❖ Highly fragmented industry – not highly corporatised

CASE STUDY – RETIREMENT POPULATION

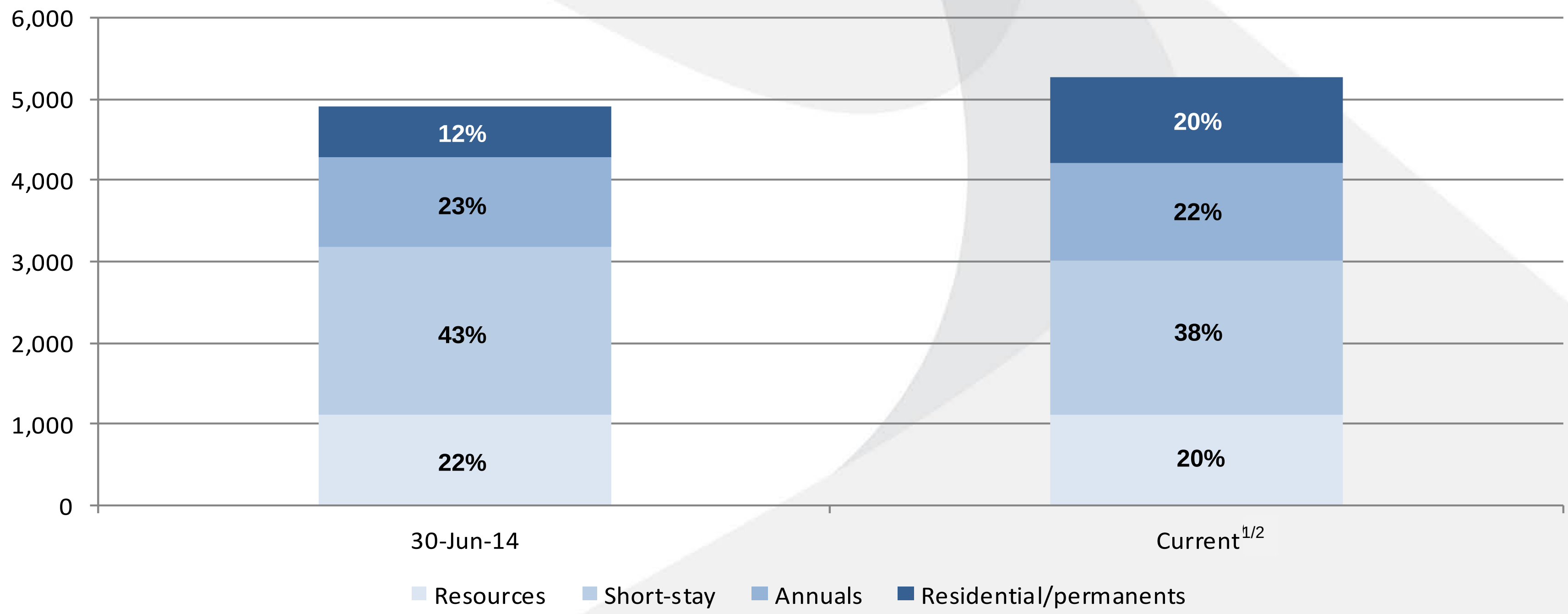


OUR CUSTOMERS

Permanent residents	❖ Largely retiree customers ❖ Land lease model (customer owns cabin) ❖ Stable, high quality, annuity residential rental cashflows ❖ Development margin on cabin sales
Annual tourists	❖ Tourist customers ❖ Land lease model (customer owns cabin) ❖ Annual rental streams
Short-stay rentals/tourists	❖ Tourist and business customers ❖ Lease of cabins and caravan sites ❖ Short stay rentals, typically averaging less than one week
Resource parks	❖ Business/contractors in resources sector and tourist customers ❖ Lease of cabins (typically contractors) and caravan sites (typically tourists) ❖ Typically short stay rentals: up to several months to less than one week ❖ Term lease in place at the Aspen Karratha Village (AKV) worker facility to January 2018

SHIFTING BUSINESS FOCUS

Portfolio composition by sites

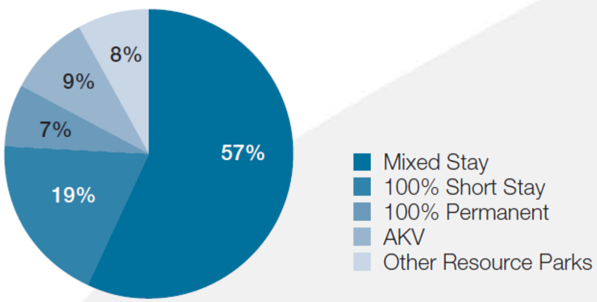


[1] Including Adelaide Caravan park, settled on 21 October
[2] Pro forma position of Merged Group

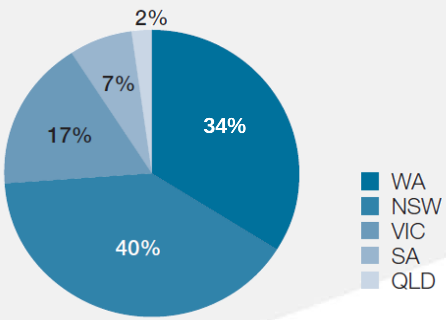
THE PORTFOLIO[1]

	Number of properties	Value ($m)	% overall	Number of sites
Mixed residential/short stay	15	143	57%	3,459
100% short stay	4	46	19%	523
100% permanent	2	19	7%	260
Resource – Aspen Karratha Village worker facility	1	22	9%	180
Resource – other parks	4	20	8%	923
Total	**26**	**250**	**100%**	**5,345**

Value split by property type



Value split by state



[1] Pro forma position of Merged Group

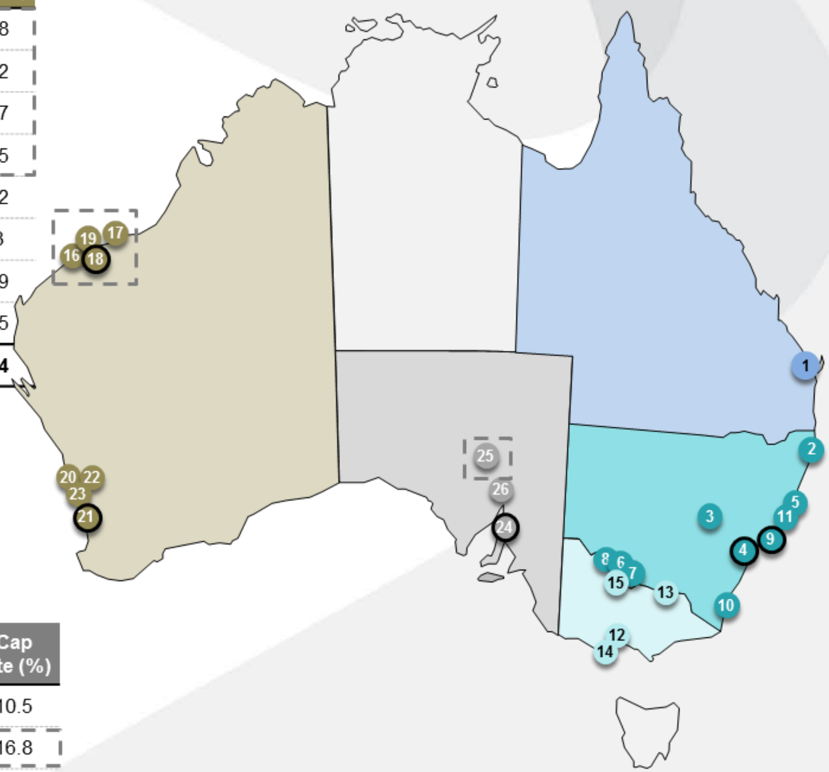
CLUSTERS WITHIN A NATIONAL FOOTPRINT[1]

Western Australia

#	Property	Carrying value ($m)	Cap rate (%)
16	Balmoral	1.2	10.8
17	Cooke Point	8.1	36.2
18	Karratha Village	22.0	14.7
19	Pilbara	7.9	16.5
20	Coogee Beach	6.5	19.2
21	Mandurah	10.7	9.3
22	Perth Vineyards	14.7	10.9
23	Woodman Point	13.0	11.5
	Total / Average	**84.1**	**17.4**

South Australia

#	Property	Carrying value ($m)	Cap rate (%)
24	Adelaide	9.3	10.5
25	Myall Grove	2.7	16.8
26	Port Augusta	5.7	13.8
	Total / Average	**17.7**	**12.5**



Aspen Group asset

Resource property

Queensland

#	Property	Carrying value ($m)	Cap rate (%)
1	Australiana	6.0	11.3

New South Wales

#	Property	Carrying value ($m)	Cap rate (%)
2	Ballina	17.2	9.0
3	Dubbo	11.3	10.2
4	Four Lanterns	8.0	8.3
5	Harrington	8.3	13.0
6	Horseshoe	8.5	12.8
7	Maiden's Inn	15.0	12.2
8	Shady River	5.8	12.7
9	Tomago	11.2	9.3
10	Twofold Bay	6.5	10.3
11	Wallamba River	9.1	9.9
	Total / Average	**100.9**	**12.0**

Victoria

#	Property	Carrying value ($m)	Cap rate (%)
12	Ashley Gardens	20.3	10.3
13	Boathaven	7.8	15.1
14	Geelong	3.2	23.0
15	Yarraby	10.2	11.3
	Total / Average	**41.5**	**12.4**

[1] Pro forma position of Merged Group

PROPERTY TYPES[1]

Mix of permanent residents and short-stay (57%)	❖ Mixed exposure is a frequent regulatory requirement ❖ Greater flexibility to maximise the highest and best use of sites ❖ Ability to cross-sell to customers ❖ Conversion potential ❖ Precincting an important focus of masterplanning to increase product attraction ❖ Competitive advantage to be able to manage mixed use parks and maximise opportunities
100% short-stay (19%)	❖ Focus on strong, diversified short-stay customer bases ❖ Most exposure is in metropolitan Melbourne and Adelaide ❖ Optionality of long-term land use
100% permanent residents (8%)	❖ Two recent acquisitions ❖ Stable residential yield plus development opportunities
Resource parks (17%)	❖ One worker facility, largely leased to January 2018, underpinning income security ❖ Look to continue to reduce capital exposure by relocating cabins ❖ Focus on maximising operational efficiencies and grey-nomad tourism market

[1] Pro forma position of Merged Group

OPERATING PLATFORM

Scale operations	❖ 11 year track record, with operations commencing in 2004 ❖ 26 properties, located in every mainland state – 40% in NSW ❖ Over 400 employees
Strong customer franchise	❖ Over 200,000 customers on electronic database ➢ Competitive advantage of a large low cost, proprietary distribution channel ➢ Reflects business scale and time in business ❖ Dedicated sales and marketing team
Integrated digital strategy	❖ Spanning social media (facebook, twitter, instagram), on-line travel agencies (OTA) ❖ Revamped APPF website launch in June 2015
Yield management	❖ Dynamic pricing to optimise rates and occupancies ❖ Specialist in-house manager, applying hospitality industry techniques and statistical analysis
Operating efficiencies	❖ Focus on asset clusters ❖ Supplier efficiencies with scale

DEVELOPMENT PIPELINE

In-house team	❖ Located in both Sydney and Perth ❖ Combine traditional residential, caravan park and manufactured housing experience
Development approach	❖ Creating high quality annuity rental streams ❖ Market research/demographic driven ❖ Multiple suppliers of manufactured cabins
Maximising existing asset opportunities	❖ Expansion of short stay cabins at Dubbo, NSW and Ashley Gardens, Melbourne ❖ Upgrade or conversion of existing sites, generating development margin and improved overall property underway at 6 properties ❖ Utilising vacant land ➢ Three development applications (DAs) in train to add approximately 200 sites ➢ Expect to start delivery from late FY16 ❖ Significant expansion in manufactured housing delivery, as pipeline ramps up from FY15 start
Continued growth	❖ Master-planning underway at five properties, to continue the multi-year growth momentum ❖ Acquisitions build pipeline – Tomago acquired with an in place DA for 24 sites

STRONG ACQUISITION TRACK RECORD

Clear criteria	❖ Locational focus on: metropolitan, existing asset clusters, or major regional population centres (especially east coast) ❖ Attractive income yields and development potential
Adding to development pipeline	❖ Focus on development/expansion upside ❖ Positive demographics drive volume growth ❖ Very attractive return on capital employed and growth in annuity rental streams
Mixed parks opportunity	❖ Our existing scale operating platform facilitates acquisition and integration of mixed parks ❖ In turn, such acquisitions enhance and reinforce our scale advantage
Ongoing pipeline	❖ Continue to see good deal flow, building upon the seven acquisitions over the last year ❖ Reflects fragmented industry/high individual ownership ❖ Industry in early stages of consolidation/corporatisation

ACQUISITION CASE STUDY – MANDURAH GARDENS ESTATE

THE MERGER PROPOSAL WITH APPF

Consideration for Aspen Group Securityholders

- One Merged Group security for each Aspen Group security

Consideration for APPF Securityholders

- Consideration represents a value of $0.60 per APPF security[(1)]
  - Scrip Option: 0.42857 Merged Group securities for each APPF security[(2)]
    - Based on the current Aspen Group security price ($1.45 as at 13/11/15), equivalent to $0.62 per APPF security
  - Cash Option: $0.60 per APPF security, subject to an overall cap of $40.5 million[(2)]
    - Cash Option of $0.60 is equivalent to Scrip Option at $1.40 per Merged Group security
    - The $40.5 million cap represents approximately 50% of total Merger consideration to APPF securityholders (other than Aspen Group)
  - APPF securityholders may elect to receive a combination of the Scrip Option and Cash Option

Implementation

- Schemes of arrangement requiring approval by APPF securityholders and Aspen Group securityholders

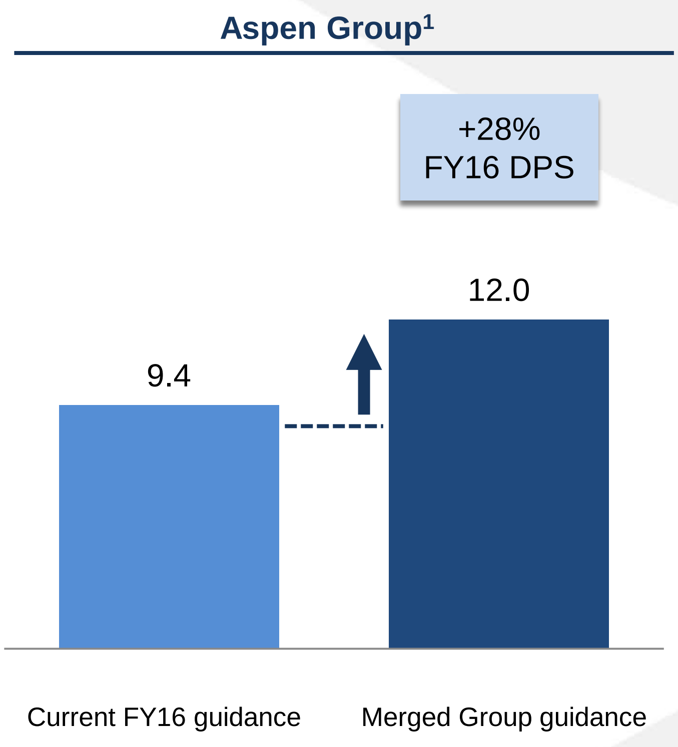
Sunsuper/Discovery Unsolicited Offer

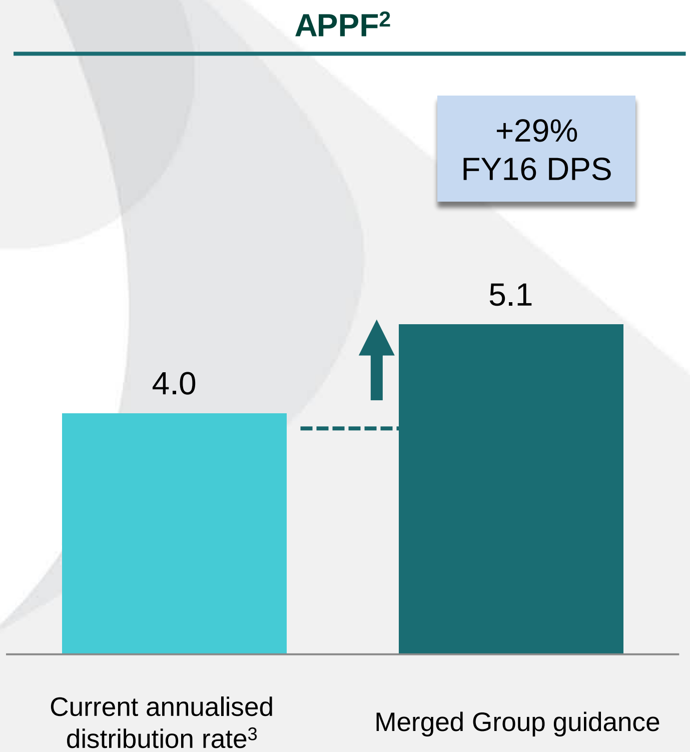
- Takeover offer for APPF at an all-cash price of $0.58 per security
- Takeover offer closes 7pm (Sydney time) 9 December

1 Based on Aspen Group's 10 day VWAP of $1.40 as at 23 October 2015 being the last trading day before the announcement of the Sunsuper / Discovery Unsolicited Offer. The implied value will change with movements in Aspen Group's security price

2 If demand for the Cash Option exceeds the cap, APPF securityholders will retain some Merged Group securities under a pro rata scale back, however they will have the option of selling these securities via a sale facility

THE MERGER – ACCRETIVE TO DISTRIBUTIONS



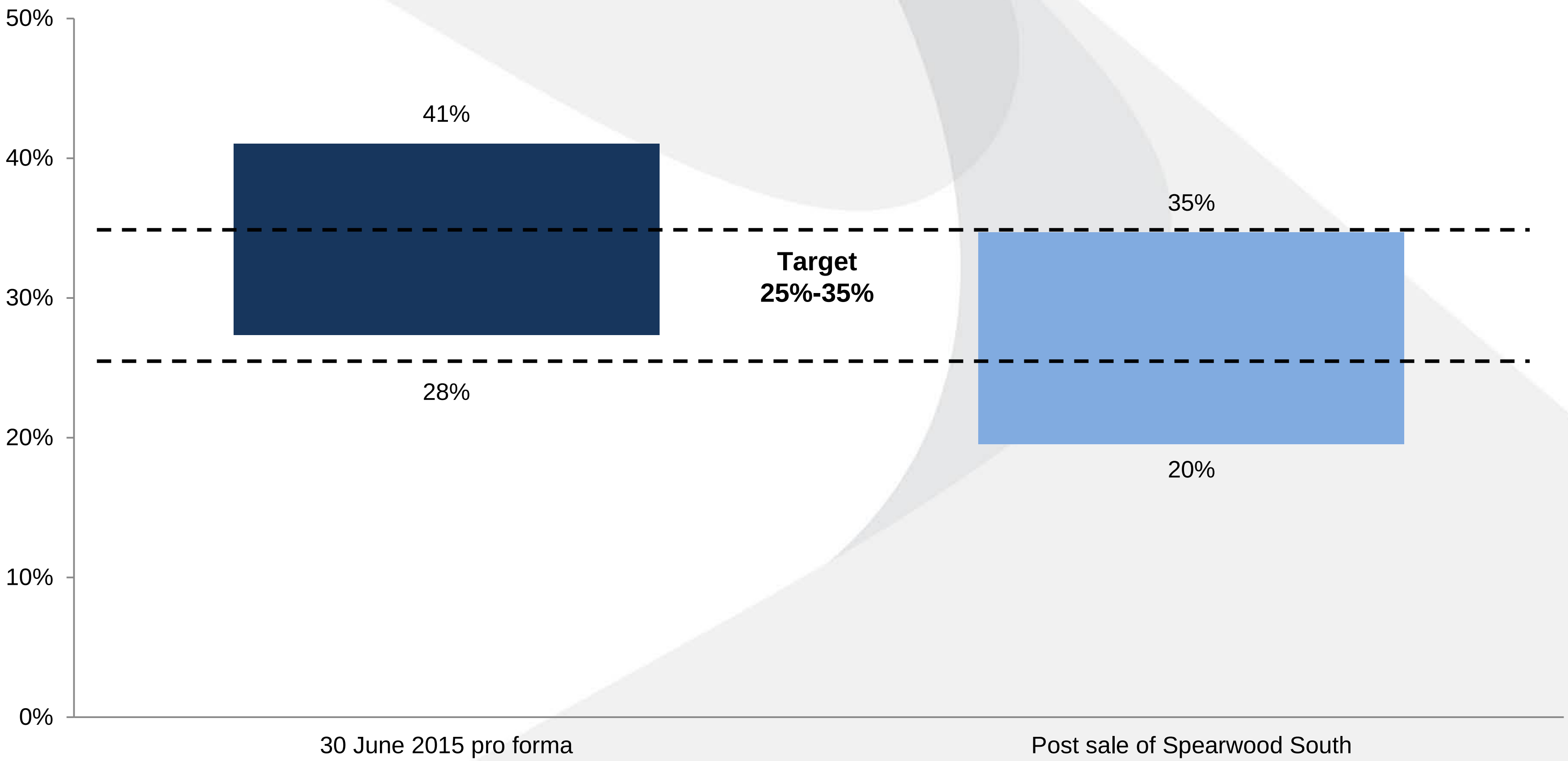


1 The Merged Group is forecasting an FY16 annualised distribution of 12.0 cents per Merged Group Security, based on 2H FY16 distribution forecast of 6.0 cents per Merged Group Security and no material change in business conditions. The APPF equivalent of 5.1 cents represents 12.0 cents multiplied by the revised merger ratio of 0.42857 Merged Group Securities for each APPF security

2 For those APPF securityholders who retain Merged Group Securities

3 Current distribution is the annualised income distribution rate as outlined in APPF's Full Year Financial Results and Fund Update released on 24 August 2015

THE MERGER – APPROPRIATE CAPITAL STRUCTURE



THE INDEPENDENT EXPERT VALUE RANGES

Comment

- Range consistent with post announcement trading
- Reflects premium to NTA consistent with comparable entities
- Reflects discount to pricing implied by earnings and distribution yields (below) given requirement to achieve operating synergies

- Pro forma NTA range $1.11 - $1.16 on a full cash take-up and full scrip basis respectively

- Aspen Group's pre-announced cash earnings[2] yield was 8.7%[3]
- Merged Group's cash earnings guidance 14.1 cents – 16.0 cents[4] and implies a trading price of $1.62 – $1.84 assuming a consistent cash earnings yield of 8.7%

- Aspen Group's pre-announcement distribution yield was 7.6%
- The Independent Expert has assumed a distribution yield range of 7.0% – 8.0%
- This implies a trading price of $1.50 - $1.71 based on Merged Group distribution guidance of 12 cents[5]

- 10 day VWAP post announcement (until 28 September 2015)

INDICATIVE TIMETABLE

Event	Indicative Date
Latest time and date to lodge proxy forms for Aspen Group Limited Scheme Meeting Latest time and date to lodge proxy forms for Aspen Group General Meetings in respect of Merger	9:30am, 7 December 2015 10:00am, 7 December 2015
Aspen Group Meetings	9 December 2015
Second Court Date (for approval of the Merger by the Court)	11 December 2015
Effective Date Last day of trading in existing Aspen Group securities	14 December 2015
Commence trading in Merged Group Securities on a deferred settlement basis (ASX code: APZDC)	15 December 2015
Record Date for Merger (including Aspen Group Special Distribution)	7:00pm, 17 December 2015
Implementation Date*	22 December 2015

*The Implementation Date may be deferred if all Merger conditions have not been satisfied by 11 December 2015, being the Second Court Date

CONCLUSION

- Aspen Group has undertaken a major strategic transition
- Accommodation industry supported by strong fundamentals
- Aspen is well positioned in the industry
- Already strong income yield generating business
- Good growth potential

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