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MEDIA RELEASE

**ASX ANNOUNCEMENT
3 October 2012**

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Aspen Group Entitlement Offer – Dispatch of Retail Entitlement Offer Booklet

Aspen Group (“Aspen”: ASX: APZ) advises that the Retail Entitlement Offer Booklet and a personalised entitlement and acceptance form in connection with the accelerated pro-rata non-renounceable entitlement offer (“Entitlement Offer”) announced on 24 September 2012 has been dispatched to Eligible Retail Securityholders today. A copy of the Retail Entitlement Offer Booklet is attached to this announcement.

A letter to Ineligible Securityholders (as defined in the Retail Entitlement Offer Booklet) notifying them of the Entitlement Offer and their ineligibility to participate was also dispatched today. A copy of that letter is to be released to the ASX separately.

Further information for Eligible Retail Securityholders

Eligible Retail Securityholders are encouraged to carefully read the Retail Entitlement Offer Booklet for further details relating to the Entitlement Offer.

If Securityholders have questions about the Entitlement Offer they should telephone the Aspen Group Offer Information Line on 1300 733 154 (within Australia) or +61 2 8280 7207 (from outside Australia).

Securityholders who are in any doubt as to how they should respond should consult their financial advisor.

End



Retail Entitlement Offer Booklet

Aspen Group (APZ)

Details of a 1 for 1 accelerated non-renounceable pro-rata entitlement offer of new stapled securities in Aspen Group at an offer price of \$0.17 per new stapled security to raise approximately \$101.4 million.

The Retail Entitlement Offer opens on Wednesday, 3 October 2012 and closes at 5.00pm (AWST) on Wednesday, 17 October 2012. Valid acceptances must be received before that time.

Not for release or distribution in the United States or to, or for the account or benefit of, U.S. Persons.

This is an important document which is accompanied by an Entitlement and Acceptance Form. Both documents should be read in their entirety. If you have questions please contact your professional advisor or the Aspen Group Information Line on 1300 733 154 (within Australia) or +61 2 8280 7207 (from outside of Australia).

The Aspen Group consists of Aspen Group Limited ACN 004 160 927 and Aspen Property Trust ARSN 104 807 767, of which Aspen Funds Management Limited ABN 48 104 322 278 is the Responsible Entity.

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Important Notice

This Retail Entitlement Offer Booklet, including the ASX Announcements and Investor Presentation reproduced in it and the Entitlement and Acceptance Form, does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. In particular, this Retail Entitlement Offer Booklet and anything contained in it does not constitute an offer to sell, or the solicitation of an offer to buy, any securities in the United States. None of this Retail Entitlement Offer Booklet, the ASX Offer Announcements and Investor Presentation reproduced in it nor the Entitlement and Acceptance Form may be distributed or released in the United States or to, or for the account or benefit of, U.S. Persons. The New Securities offered in the Entitlement Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the "Securities Act") or the securities laws of any state or other jurisdiction of the United States. The New Securities may not be offered, or sold, or resold, in the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from, or not subject to, the registration requirements of the Securities Act and any applicable securities laws of any state or other jurisdiction of the United States.

1.0

Key Dates

Key Dates*

Announcement of the Offer	Monday, 24 September 2012
Record Date for the Entitlement Offer	5.00pm (AWST), Thursday 27 September 2012
Retail Entitlement Offer opens	Wednesday, 3 October 2012
Retail Entitlement Offer closes for early applications	5.00pm (AWST), Monday, 8 October 2012
Settlement under early Retail Entitlement Offer	Tuesday, 9 October 2012
Allotment and trading of New Securities issued under the early Retail Entitlement Offer	Wednesday, 10 October 2012
Retail Entitlement Offer closes	5.00pm (AWST), Wednesday, 17 October 2012
Announcement of shortfall under Retail Entitlement Offer	Monday, 22 October 2012
Settlement of New Securities issued under the Retail Entitlement Offer	Wednesday, 24 October 2012
Allotment of New Securities issued under the Retail Entitlement Offer	Thursday, 25 October 2012
Trading of New Securities on a normal basis	Friday, 26 October 2012
Despatch of holding statements	Friday, 26 October 2012

* All times and dates refer to Australian Western Standard Time (AWST) and are subject to change without notice.

Aspen Group reserves the right, subject to the Corporations Act, ASX Listing Rules and other applicable laws to vary the dates of the Entitlement Offer, including extending the Entitlement Offer or accepting late applications, either generally or in particular cases, without notice. Accordingly, applicants are encouraged to submit their Entitlement and Acceptance Forms as soon as possible after the Entitlement Offer opens. No cooling-off rights apply to the Entitlement Offer.

2.0

Chairman's Letter

Not for release or distribution in the United States or to, or for the account or benefit of, U.S. Persons



3 October 2012

Dear Securityholder

On behalf of the Directors of Aspen Group (Aspen; APZ.ASX), I am pleased to invite you to participate in a fully underwritten 1 for 1 accelerated non-renounceable pro rata entitlement offer of new stapled securities in Aspen Group (**New Securities**) at an Offer Price of \$0.17 per New Security (**Entitlement Offer**).

The Offer Price represents a discount of 27.7% to the closing price of Aspen Group's securities on the Australian Securities Exchange (ASX) on 21 September 2012, a 16.0% discount to the theoretical ex-rights price¹ of \$0.20 and a 40.5% discount to Aspen Group's pro-forma net tangible assets per security. The Offer Price also represents a 10.8% earnings yield based on forecast Core Operating Earnings² and 8.9% distribution yield based on forecast distributions for the year ending 30 June 2013.

Entitlement Offer Overview

The Entitlement Offer, to raise approximately \$101.4 million in total, was announced to ASX on 24 September 2012 and is being undertaken to repay debt and create headroom under Aspen's core debt facility, to fund the likely exercise of the Investor Put³ in Aspen Development Fund No.1 and provide working capital. The Entitlement Offer allows Aspen to improve securityholder returns by de-risking its balance sheet as it undertakes its strategic review to simplify the business model and focus on core strengths.

Aspen Group will use \$35 million of proceeds from the Entitlement Offer to immediately permanently reduce Aspen's debt facilities with its main debt provider, National Australia Bank (**NAB**). The balance of the proceeds (net of costs) will be applied to working capital (\$34.0 million). In addition to utilising \$35 million of offer proceeds to immediately repay debt, Aspen has committed to reduce total NAB facilities across the Group (including all funds and syndicates) by a further \$71 million by 31 December 2013.⁴

As part of Aspen Group's strategic review announced on 31 August 2012 to simplify the Aspen Group's business, several initial conclusions have been identified. These include debt reduction, full impairments of loans to associates, provision of working capital to facilitate funding future commitments, de-risking earnings via focusing on recurring income from rent and management fees and increased operational efficiency. Further information on the strategic review can also be found in the ASX announcement and investor presentation accompanying this booklet which were released to the ASX on 24 September 2012.

The Entitlement Offer comprises an institutional component and a retail component.

Institutional Entitlement Offer

The Institutional Entitlement Offer closed on 24 September 2012. New Securities in respect of institutional entitlements not subscribed for and the right to subscribe for New Securities which would otherwise have been offered to ineligible securityholders were placed into the institutional bookbuild. The institutional bookbuild was successfully completed on Monday, 24 September 2012. The Institutional Entitlement Offer

¹ The theoretical ex-rights price or TERP is the theoretical price at which Aspen securities should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only. The actual price at which Aspen securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

² Core Operating Earnings defined as rental income from Aspen's on balance sheet investment property assets and recurring funds management income from Aspen Parks Property Fund. Core Operating Earnings excludes all income and direct expenses associated with the non-core assets. Aspen is forecasting the non-core assets to be neutral to operating profit in FY13. Refer to slide 14 of the Investor Presentation accompanying this booklet for further information on Core Operating Earnings.

³ The Investor Put is a put option commitment to an Aspen Development Fund No. 1 shareholder. The cost to Aspen to fulfil its obligations under the Investor Put will be \$25.3 million (excludes any stamp duty payable, estimated \$1.8 million). Refer to slide 16 of the Investor Presentation accompanying this booklet for a full explanation of the Investor Put.

⁴ \$38 million by June 2013 and \$33 million by December 2013.

and Institutional Bookbuild together successfully raised gross proceeds of approximately \$59 million. The Institutional Entitlement Offer was well supported with approximately 93% of Aspen Group's institutional Securityholders subscribing to take up their entitlement.

Retail Entitlement Offer

This Retail Entitlement Offer Booklet relates only to the Retail Entitlement Offer. The Retail Entitlement Offer is expected to raise further gross proceeds of approximately \$41 million. The Offer Price under the Retail Entitlement Offer is the same issue price paid by institutional investors under the Institutional Entitlement Offer (\$0.17 per Aspen security). The Offer Price reflects an estimated 8.9% yield based on forecast distributions per security for the year ending 30 June 2013.⁵ Detailed information regarding the Entitlement Offer and how to apply is included in this Retail Entitlement Offer Booklet. Details of your specific entitlement are included in the enclosed Entitlement and Acceptance Form. It is important to note that the Retail Entitlement Offer closes at 5.00pm Australian Western Standard Time (AWST) on Wednesday, 17 October 2012. To participate in the Entitlement Offer, you must have applied for New Securities so that your application and payment is received by Aspen Group on or before this time on this date.

For Eligible Retail Securityholders, it is important to note that your entitlement is non-renounceable. This means it is personal to you and cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your entitlement it will lapse and you will not receive any New Securities under the Entitlement Offer. As the Entitlement Offer is non-renounceable, securityholders will not receive any value for Entitlements not taken up.

Distribution guidance

Aspen's guidance for forecast FY13 Core Operating Earnings⁶ per security is 1.8 cents and forecast FY13 distribution per security is 1.5 cents.⁷ As a result of undertaking the Entitlement Offer the Board has determined to suspend the Distribution Reinvestment Plan for FY13.

This booklet

In this booklet, you will find the following:

- details of the Entitlement Offer, including information on how to apply, explaining how to accept all or some of, or apply for more than, your Entitlement if you choose to do so, and a timetable of key dates;
- an Investor Presentation dated 24 September 2012, which provides more information on the purpose of the Entitlement Offer, Aspen Group, Entitlement Offer details and some key investment risks for you to consider;
- an ASX announcement dated 24 September 2012, regarding the Entitlement Offer;
- an ASX announcement dated 25 September 2012, regarding successful completion of the institutional component of the Entitlement Offer;
- "Important Information" outlining other key information you need to know as an Aspen Group Securityholder; and
- a personalised Entitlement and Acceptance Form which details your Entitlement, to be completed in accordance with the instructions provided.

⁵ Full year forecast FY13 distribution of 1.5 cents per security (refer to section headed "Distribution guidance").

⁶ Core Operating Earnings defined as rental income from Aspen's on balance sheet investment property assets and recurring funds management income from Aspen Parks Property Fund. Core Operating Earnings excludes all income and direct expenses associated with the non-core assets. Aspen is forecasting the non-core assets to be neutral to operating profit in FY13. Refer to slide 14 of the Investor Presentation accompanying this booklet for further information on Core Operating Earnings.

⁷ Based on 80% of cash Core Operating Earnings.

2.0

Chairman's Letter continued

Eligibility

Securityholders resident outside Australia and New Zealand are not eligible to participate in the Entitlement Offer due to securities laws restrictions on the offer of New Securities in certain jurisdictions. The registered address of the Securityholder will be used to determine eligibility, not the address of any underlying beneficial owner.

Further information

Further information on the Retail Entitlement Offer and Aspen Group's business is detailed in this booklet. You should read the entirety of this booklet carefully, in particular the "Key Risks" section of the Investor Presentation, before deciding whether to participate in the Entitlement Offer.

You should also consult your broker, solicitor, accountant, taxation adviser, financial adviser or other professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

If you have any questions about the Retail Entitlement Offer please call the Aspen Group Offer Information Line on 1300 733 154 (within Australia) or +61 2 8280 7207 (from outside Australia).

On behalf of the Board of Directors and management team of Aspen Group, I invite you to consider this investment opportunity and thank you for your ongoing support.

Yours sincerely



Frank Zipfinger
Chairman

3.0

How to apply

1 The Retail Entitlement Offer

Eligible Retail Securityholders are being offered the opportunity to apply for 1 New Security for every 1 existing Security held at 5.00pm (AWST) on 27 September 2012, at the Offer Price of \$0.17 per New Security. You should note that not all Aspen Group Securityholders will be eligible to participate in the Retail Entitlement Offer. Please read the 'Important Information' section of this booklet (in particular section 1 of that section) to see if you are eligible to participate.

Aspen Group is also offering Eligible Retail Securityholders the opportunity to apply for additional New Securities in excess of their Entitlement (**Additional Securities**) with no restriction on the number of Additional Securities that can be applied for. Allocation of Additional Securities is limited by availability and is at the absolute discretion of Aspen Group. Any scale-back may be applied in Aspen Group's absolute discretion. Allotment of Additional Securities will take place along with allotment of New Securities offered under the Retail Entitlement Offer on Thursday, 25 October 2012 irrespective of whether an application for Additional Securities is received before the Early Close Date on Monday, 8 October 2012. For further information in respect of applying for Additional Securities, see section 5 in the 'Important Information' section of this booklet.

New Securities, including Additional Securities, issued pursuant to the Retail Entitlement Offer will be fully paid and rank equally with existing Securities.

Your Entitlement is set out on the accompanying Entitlement and Acceptance Form and has been calculated as 1 Security in Aspen Group for every 1 existing Security you held as at the Record Date of 5.00pm (AWST) on Thursday, 27 September 2012, rounded up to the nearest whole Security. If you have more than one holding of Securities you will be sent more than one Entitlement and Acceptance Form and you will have separate Entitlements for each holding.

This Retail Entitlement Offer is being made pursuant to provision of the Corporations Act which allow rights issues to be offered without a prospectus or product disclosure statement. Accordingly, this booklet does not contain all of the information which may be required in a prospectus or product disclosure statement. As a result, it is important for Eligible Retail Securityholders to carefully read and understand the information on the Aspen Group and the Retail Entitlement Offer made publicly available, prior to deciding whether to take up all or part of their Entitlement, to apply for Additional Securities, or to do nothing in respect of their Entitlement. In particular, please read this booklet in its entirety, Aspen Group's interim and annual reports, including the financial information for the year ended 30 June 2012, and other announcements made available at www.asx.com.au or www.aspengroup.com.au.

2 What Eligible Retail Securityholders may do

If you are an Eligible Retail Securityholder you may take any of the following actions:

- take up all of your Entitlement;
- take up some of your Entitlement and allow some of your Entitlement to lapse;
- take up more than your Entitlement (refer to Section 3 in 'Important Information'); or
- do nothing and allow all of your Entitlement to lapse.

Entitlements under the Entitlement Offer are non-renounceable. This means your Entitlements are personal to you and cannot be traded, transferred, assigned or otherwise dealt with. If you do not take up your Entitlement it will lapse and you will not receive any New Securities under the Entitlement Offer.

3 Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent financial advisor if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer. In particular, please refer to the "Key Risks" section of the accompanying Investor Presentation and to the Important Information section of this booklet.

3.0

How to apply continued

4 Complete and return the accompanying Entitlement and Acceptance Form with your application monies or make a payment by BPAY®¹

If you decide to take up all or some of your Entitlement or apply for Additional Securities, please complete and return the enclosed Entitlement and Acceptance Form with the requisite application monies or pay your application monies via BPAY pursuant to the instructions set out on the Entitlement and Acceptance Form. **If you take no action you will not be allocated New Securities and your Entitlement will lapse.**

Aspen Group will treat you as applying for as many New Securities as your payment will pay for in full, subject to any scale-back it may determine to implement, in its absolute discretion, in respect of Additional Securities.

Securities allotment date

If you take up and pay (via BPAY) for all or part of your Entitlement by 5.00pm (AWST) on Monday, 8 October 2012 (**Early Close Date**), you will be allotted your New Securities on Wednesday, 10 October 2012. However, if you take up and pay for all or part of your Entitlement after this date, but before the Entitlement Offer close date of 5.00pm (AWST) on Wednesday, 17 October 2012 (**Final Close Date**), you will be allotted your New Securities on Thursday, 25 October 2012. Note that New Securities applied for before the Early Close Date will only be allotted on Thursday, 25 October 2012, unless paid for using the BPAY facility outlined below.

If you apply for Additional Securities, subject to Aspen Group's discretion to allot any Additional Securities to you or to scale back your allocation of Additional Securities (in whole or part), any Additional Securities you are allocated will be allotted on Thursday, 25 October 2012.

Aspen reserves the right (in its absolute discretion) to reduce the number of New Securities allocated to Eligible Retail Securityholders, or persons claiming to be Eligible Retail Securityholders, if their claims prove to be overstated or if their nominees fail to provide information to substantiate their claim.

5 Acceptance of the Entitlement Offer

The method of acceptance of the Retail Entitlement Offer will depend on your method of payment being:

- by cheque, bank draft or money order; or
- by BPAY.

5.1 Payment by cheque, bank draft or money order

For payment by cheque, bank draft or money order, your completed Entitlement and Acceptance Form (your personalised Entitlement and Acceptance Form accompanies this document) must be accompanied by a cheque, bank draft or money order in Australian currency for the amount of the application monies, payable to "Aspen Group Retail Entitlement Offer" and crossed "Not Negotiable". Any agreement to issue New Securities (including any Additional Securities if applicable) to you following receipt of your Entitlement and Acceptance Form is conditional on your cheque, bank draft or money order in payment of the application monies for those New Securities (including Additional Securities) being honoured on first presentation. Your cheque, bank draft or money order must be:

- for an amount equal to \$0.17 multiplied by the number of New Securities (including any Additional Securities if applicable) that you are applying for; and
- in Australian currency drawn on an Australian branch of a financial institution.

It is important to note that the Offer closes at **5.00pm (AWST) on Wednesday, 17 October 2012**. In order to participate in the Entitlement Offer, your payment must be received no later than this date. Securityholders who make payment via cheque, bank draft or money order should mail their completed Entitlement and Acceptance Form together with acceptance monies as follows:

By post:

Aspen Group
C/- Link Market Services Limited
Reply Paid 3560
SYDNEY NSW 2001, Australia

By hand:

Aspen Group
C/- Link Market Services Limited
1A Homebush Bay Drive
RHODES NSW 2138, Australia

¹ © Registered to BPAY Pty Limited (ABN 69 079 137 518)

Within Australia only, you can use the reply-paid envelope which is enclosed with your Entitlement and Acceptance Form. If mailed outside Australia, correct postage must be affixed. Note that New Securities applied for before the Early Close Date will allot on Thursday, 25 October 2012, unless paid for using the BPAY facility outlined below.

Please note that Entitlement and Acceptance Forms and Application Monies will not be accepted at Aspen Group's registered or corporate offices, or offices of the Registry.

5.2 Payment by BPAY

For **payment by BPAY** please follow the instructions on the Entitlement and Acceptance Form (your personalised Entitlement and Acceptance Form accompanies this document). It is your responsibility to ensure that your BPAY payment is received by the Registry **by no later than 5.00pm (AWST) on the Wednesday, 17 October 2012** to enable its receipt before the Retail Entitlement Offer closes. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.

For payment by BPAY, an Entitlement and Acceptance Form is not required to be lodged with the Registry, however, by making a payment of application monies through BPAY, you will be deemed to have made the declarations set out in the Entitlement and Acceptance Form and in section 5.3 below.

Make sure you use the specific Biller Code and unique Customer Reference Number (CRN) on your personalised Entitlement and Acceptance Form.

If you have more than one securityholding and consequently receive more than one Entitlement and Acceptance Form, when taking up your entitlement in respect of one of those securityholdings only use the CRN specific to that securityholding as set out in the applicable Entitlement and Acceptance Form. Do not use the same CRN for more than one of your securityholdings. This can result in your application monies being applied to your entitlement in respect of only one of your securityholdings (with the result that any application in respect of your remaining securityholdings will not be recognised as valid or excess application monies being applied solely to an application for Additional Securities rather than your Entitlement).

If you have applied for Additional Securities, your application for Additional Securities may not be successful (wholly or partially). The decision of Aspen Group on the number of Additional Securities to be allocated to you will be final. In this instance any surplus application monies received for more than your final allocation of New Securities will be refunded. No interest will be paid on any application monies received or returned. Any Additional Securities you are allocated will be allotted on Thursday, 25 October 2012.

5.3 Effect of acceptance of the Retail Entitlement Offer

By completing and returning your personalised Entitlement and Acceptance Form with the requisite Application Monies or making a payment by BPAY you, and each person on whose behalf you are acting:

- acknowledge that you have fully read and understood both this Retail Entitlement Offer Booklet and your Entitlement and Acceptance Form in their entirety and you acknowledge the matters and make the warranties and representations and agreements contained in this booklet and the Entitlement and Acceptance Form;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Entitlement Offer Booklet and the constitutions of Aspen Group Limited and Aspen Property Trust;
- authorise Aspen Group to register you as the holder(s) of New Securities (and any Additional Securities) allotted to you;
- declare that all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;

3.0

How to apply continued

- acknowledge that once Aspen Group receives your Entitlement and Acceptance Form or any payment of Application Monies, you may not withdraw your application or funds provided except as allowed by law;
- agree to apply for and be issued up to the number of New Securities specified in the Entitlement and Acceptance Form, or for which you have submitted payment of any Application Monies, including, in each case, any Additional Securities, at the Offer Price per Security;
- authorise Aspen Group, the Lead Manager, the Registry and their respective officers or agents to do anything on your behalf necessary for New Securities (and any Additional Securities) to be issued to you, including to act on instructions of the Registry upon using the contact details set out in your Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Securities indicated on the Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this booklet and your Entitlement and Acceptance Form is not investment advice or financial product advice nor have they been prepared taking into account your investment objectives, financial circumstances or particular needs or circumstances. You acknowledge that this booklet and your Entitlement and Acceptance Form is not a recommendation that New Securities (including Additional Securities) are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this booklet is not a prospectus, product disclosure statement or disclosure document and does not contain all of the information that you may require in order to assess an investment in Aspen Group and is given in the context of Aspen Group's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the risks in the "Key Risks" section in the Investor Presentation and that investments in Aspen Group are subject to risk;
- acknowledge that none of Aspen Group, the Lead Manager, or their respective related bodies corporate, affiliates or respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of Aspen Group, nor do they guarantee the repayment of capital from Aspen Group;
- agree to provide (and, if applicable, direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Securities on the Record Date;
- authorise Aspen Group to correct any errors in your Entitlement and Acceptance Form or other form provided by you;
- represent and warrant (for the benefit of Aspen Group, the Lead Manager and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, and that you are not an Eligible Institutional Securityholder under the Institutional Entitlement Offer;
- represent and warrant that the law of any place does not prohibit you from being given this booklet and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Securities (or Additional Securities) and are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer without a prospectus, disclosure document, product disclosure statement or any lodgement, filing, registration or qualification; and
- represent and warrant that your acceptance of the Retail Entitlement Offer does not breach any laws in a jurisdiction outside Australia or New Zealand.

By completing and returning your personalised Entitlement and Acceptance Form or making a payment by BPAY, you will also be deemed to have acknowledged, agreed, represented and warranted on your own behalf and on behalf of each person on whose account you are acting that: you are an Eligible Retail Securityholder or otherwise eligible to participate in the Retail Entitlement Offer and:

- you are not in the United States and you are not, and are not acting for the account or benefit of, a U.S. Person, and are not otherwise a person to whom it would be illegal to make an offer of or issue of Entitlements, New Securities or Additional Securities under the Retail Entitlement Offer and under any applicable laws and regulations;
- you understand and acknowledge that none of the Entitlements, the New Securities nor the Additional Securities have been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia, New Zealand and the jurisdictions referred to in Appendix A ("Selling Restrictions") of the Investor Presentation. Accordingly, the Entitlements may not be taken up by, and the New Securities or Additional Securities may not be offered or sold to, persons in the United States or to persons that are, or are acting for the account or benefit of, a U.S. Person, except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and any other applicable U.S. state securities laws;

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- you and each person on whose account you are acting have not and will not send this booklet, the Entitlement and Acceptance Form or any other materials relating to the Entitlement Offer to any person in the United States or to a person that is, or is acting for the account or benefit of, a U.S. Person, or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial securityholders who are institutional or professional investors in the countries listed in, and to the extent permitted under, Appendix A ('Selling Restrictions') in the Investor Presentation; and
 - if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is not in the United States and is not a person that is, or is acting for the account or benefit of, a U.S. Person, and you have not sent this booklet, the Entitlement and Acceptance Form or any information relating to the Entitlement Offer to any such person, or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial securityholders who are institutional or professional investors in the countries listed in, and to the extent permitted under, Appendix A ('Selling Restrictions') in the Investor Presentation.

4.0

ASX Announcements

— Equity Raising Announcement



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MEDIA RELEASE

ASX ANNOUNCEMENT 24 September 2012

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Aspen Group Announces a Fully Underwritten Accelerated Pro-Rata Non-Renounceable Entitlement Offer of approximately A\$101.4 million

Aspen Group ("Aspen": ASX: APZ) today announces a fully underwritten equity raising of approximately A\$101.4 million at A\$0.17 per security ("Offer Price") from the issue of approximately 597 million new securities. The equity raising will be undertaken via a 1 for 1 accelerated pro-rata non-renounceable entitlement offer ("Entitlement Offer") of new securities ("New Securities").

The Offer Price represents a:

- 27.7% discount to the closing price of Aspen's securities on the Australian Securities Exchange ("ASX") on 21 September 2012 of A\$0.235;
- 16.0% discount to the theoretical ex-rights price¹ of A\$0.20;
- 40.5% discount to Aspen's pro-forma net tangible assets per security ("NTA") of A\$0.29;
- 10.8% earnings yield based on forecast FY13 Core Operating Earnings²; and
- 8.9% distribution yield based on forecast FY13 distributions.

The Entitlement Offer is fully underwritten by UBS AG, Australia Branch.

Use of proceeds

The Entitlement Offer is being undertaken to repay debt and create headroom under Aspen's core debt facility to fund the likely exercise of the Investor Put in Aspen Development Fund No.1 and provide further working capital. This debt reduction strategy has been agreed with Aspen's main lender, the National Australia Bank ("NAB"). Following the Entitlement Offer, Aspen will have enhanced financial flexibility via increased liquidity and headroom under its debt covenants³. Balance sheet gearing will be reduced from 46.4% to 39.3% and look through gearing will be reduced from 49.4% to 41.3%.⁴

¹ The theoretical ex-rights price or TERP is the theoretical price at which Aspen securities should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only. The actual price at which Aspen securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

² Core Operating Earnings defined as rental income from Aspen's on balance sheet investment property assets and recurring funds management income from Aspen Parks Property Fund. Core Operating Earnings excludes all income and direct expenses associated with the non-core assets. Aspen is forecasting the non-core assets to be neutral to operating profit in FY13.

³ Debt covenants under NAB Core Facility include 1.5x Interest Cover Ratio, 60% Loan to Value ratio and 1.25 year Weighted Lease Duration until 30 June 2013 on NAB security pool assets.

⁴ Balance sheet gearing: interest bearing debt less cash divided by total assets less cash. Look through gearing: look through debt less cash divided by look through total assets less cash.

The Entitlement Offer will provide Aspen with liquidity to fund the likely exercise of a put option commitment to an Aspen Development Fund No. 1 shareholder ("Investor Put") and provide further working capital. The cost to Aspen to fulfil its obligations under the Investor Put will be \$25.3 million.⁵ The Investor Put is exercisable at the shareholder's discretion between 27 September 2012 and 15 October 2012 (settlement to occur within 60 days post exercise).⁶ Following exercise of the Investor Put Aspen will own 75.1% of the Aspen Development Fund No. 1, and as a result Aspen will consolidate that entity.

\$35 million of proceeds from the Entitlement Offer will be immediately applied to permanently reduce Aspen's debt facilities with its main debt provider, NAB:

- \$15 million of the proceeds will be applied to Aspen's core debt facility;
- \$20 million of the proceeds will be applied to the Aspen Development Fund No. 1 debt facility.

The balance of proceeds (net of costs) will be applied to working capital (\$34.0 million).⁷

In return for this permanent reduction of debt, NAB has agreed to:

- waive the weighted lease duration covenant breach and immediately reduce the covenant from 2.0 years to 1.25 years until 30 June 2013,⁸ resulting in Aspen's core debt facility with NAB being reclassified as non-current with a maturity of February 2014;
- waive the LVR covenant breach in respect of Aspen Development Fund No. 1 facility;
- grant a five month extension of the maturity date of the Aspen Development Fund No. 1 facility to February 2014.

In addition to utilising \$35 million of the offer proceeds to immediately repay debt, Aspen has committed to reduce total NAB facilities across the Group⁹ by a further \$71 million by 31 December 2013.¹⁰ This reduction is to be achieved via an orderly divestment of non-core assets. Aspen Diversified Property Fund is already undertaking an orderly sale of its assets (c.\$120 million of assets available to be sold) and executing on its divestment strategy with the sale of the Nunawading, Victoria property which settled on 20 September 2012, at a premium to book value.¹¹

Aspen Group Chairman Mr Frank Zipfinger said: "The Entitlement Offer allows Aspen to de-risk its balance sheet. It will provide the financial flexibility for the Group to operate from an improved position and undertake its strategic review to simplify the business and focus on core strengths to improve securityholder returns."

Strategic review

As part of Aspen's strategic review announced on 31 August 2012, several initial conclusions have been identified. These include to:

- de-risk the balance sheet via the Entitlement Offer, associated debt reduction, full impairment of loans to associates and to facilitate funding future capital commitments (including the potential Investor Put obligation and to provide working capital);
- de-risk earnings via focusing on recurring income from rent and management fees and reducing reliance on income from interest and equity investments;
- focus on Core Operating Earnings¹²;

⁵ Excludes any stamp duty payable (estimated \$1.8 million).

⁶ For full details on the Investor Put see slide 16 of the Aspen Entitlement Offer Presentation.

⁷ For full details on use of proceeds see slide 7 of the Aspen Entitlement Offer Presentation.

⁸ After which the covenant level will revert to 2.0 years.

⁹ Including all funds and syndicates.

¹⁰ Comprising \$38 million by June 2013 and \$33 million by December 2013.

¹¹ \$18.4 million sale price reflects a c.1% premium to book value.

¹² Core Operating Earnings defined in footnote 2 above.

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ASX Announcements

— Equity Raising Announcement continued

- increase operational efficiency and reduce overheads;
- focus on the Group's core assets (on balance sheet investment property assets and Aspen Parks Property Fund); and
- realisation of non-core businesses (management of funds and development syndicates including Aspen Diversified Property Fund, Aspen Development Fund and Aspen Living residential land syndicates) to provide scope to streamline the business.

As part of the initial stages of the strategic review, Aspen has undertaken a further comprehensive review of its development syndicates and non-core inventory. As a result of implementing the initial findings of the strategic review, the Board has determined to fully impair Aspen's loans to associates, reflecting a \$36.6 million impairment. This process was carried out on the basis that the syndicates are now non-core and an orderly divestment of the underlying assets or of the Group's interests in the syndicates will take place. Any value achieved from the disposal of these assets, in excess of senior secured liabilities, represents potential upside to Aspen securityholders.

As Aspen's FY12 audit process had not been completed at the time the Board determined to undertake the impairment, it was considered necessary that the impairment form part of the Group's audited FY12 financial statements.

As a result of implementing the initial findings of the strategic review, the Board notes that the audited FY12 financial statements differ from the 4E and Preliminary Financial Statements announced on 31 August 2012.¹³

Mr Zipfinger said: "As the Group continues to progress the strategic review, we have identified the core strengths of the business, being the investment property portfolio and Aspen Parks Property Fund. Aspen's non-core businesses have also been identified, being the residential and commercial development divisions, which the Group plans to exit. The Entitlement Offer is a crucial first step to provide Aspen with an improved capital position from which to finalise its strategic review."

Entitlement Offer details

The Entitlement Offer is a fully underwritten accelerated non-renounceable entitlement offer under which eligible securityholders in Aspen will be entitled to acquire 1 New Security for every 1 existing Security held as at 5.00 pm (WST) on 27 September 2012 ("Record Date") at the Offer Price of A\$0.17 per New Security.

New Securities issued under the Entitlement Offer will rank equally with existing Aspen securities on issue and will be eligible for the forecast 1H13 distribution of 0.75 cents per security.¹⁴ As the Entitlement Offer is non-renounceable, securityholders will not receive any value for entitlements not taken up.

The Entitlement Offer is expected to raise approximately A\$101.4 million, with the institutional component ("Institutional Entitlement Offer") comprising approximately A\$60.9 million and the retail component ("Retail Entitlement Offer") comprising approximately A\$40.6 million.

The Institutional Entitlement Offer will take place on Monday, 24 September 2012. New Securities in respect of institutional entitlements not subscribed for and the right to subscribe for New Securities which would otherwise have been offered to ineligible securityholders will be placed into the institutional bookbuild. The institutional bookbuild will close at 5.00pm (EST) / 3.00 pm (WST) on Monday, 24 September 2012.

¹³ A reconciliation of adjustments to net tangible assets is provided on slide 33 of the Aspen Entitlement Offer Presentation.

¹⁴ Distribution payout of 80% of cash Core Operating Earnings. Full year forecast FY13 distribution of 1.5 cents per security.

The Retail Entitlement Offer is expected to open on Wednesday, 3 October 2012 and close at 5.00 pm (WST) on Wednesday, 17 October 2012. Under the Retail Entitlement Offer, if the Retail Offer is not fully subscribed to, eligible retail securityholders will have an opportunity to apply for New Securities in excess of their entitlement at the Offer Price ("Additional Securities"). While the number of Additional Securities that may be applied for is uncapped, Aspen may apply any scale-back to applications for Additional Securities in its absolute discretion.

Core Operating Earnings¹⁵ and distribution guidance

The Board's guidance for forecast FY13 Core Operating Earnings per security is 1.8 cents and for forecast FY13 distribution per security is 1.5 cents.¹⁶ As a result of undertaking the Entitlement Offer the Board has determined to suspend the Distribution Reinvestment Plan for FY13.

Further information

Further information, including investment considerations and risks associated with the Entitlement Offer, is included in the presentation released with this announcement.

Eligible retail securityholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. Aspen expects to lodge the Retail Offer Booklet with the ASX and dispatch to retail securityholders on or about Wednesday, 3 October 2012.

If securityholders wish to obtain more information in the interim, please telephone our investor services centre on 1800 220 840 or visit our website at www.aspengroup.com.au.

Securityholders who are in any doubt as to how they should respond should consult their financial advisor.

End

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Annexure

1. Entitlement Offer Timetable

¹⁵ Core Operating Earnings defined in footnote 2 above.

¹⁶ Distribution payout of 80% of cash Core Operating Earnings.

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ASX Announcements

— Equity Raising Announcement continued

Annexure 1: Entitlement Offer Timetable¹⁷

Institutional Entitlement Offer period (bookbuild)	24 September 2012
Trading in Aspen securities resumes	25 September 2012
Record Date for the Entitlement Offer	5pm (AWST ¹⁷), 27 September 2012
Mailing of entitlement and acceptance form to eligible retail securityholders	3 October 2012
Retail Entitlement Offer opens	3 October 2012
Retail Entitlement Offer closes for early applications	8 October 2012
Settlement under the Institutional Entitlement Offer (and early Retail Entitlement Offer)	9 October 2012
Allotment and trading of New Securities issued under the Institutional Entitlement Offer (and early Retail Entitlement Offer)	10 October 2012
Retail Entitlement Offer closes	5pm (AWST ¹⁷), 17 October 2012
Announcement of shortfall under Retail Entitlement Offer	22 October 2012
Settlement of New Securities issued under the Retail Entitlement Offer	24 October 2012
Allotment of New Securities issued under the Retail Entitlement Offer	25 October 2012
Trading of New Securities issued under the Retail Entitlement Offer on a normal basis	26 October 2012
Despatch of holding statements	26 October 2012

Note: The above timetable is indicative only and subject to change.

¹⁷ All dates and times are indicative only and subject to change at the discretion of Aspen, in conjunction with the underwriter. All dates and times are references to Australian Western Standard Time.

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ASX Announcements

— Investor Presentation

Not for release or distribution in the United States or to, or for the account or benefit of, US Persons



Aspen Group

\$101.4 million equity raising

Investor presentation

24 September 2012



Important notices

This Presentation has been prepared by Aspen Group Limited and Aspen Funds Management Limited as responsible entity for the Aspen Property Trust (together, **Aspen Group**) in connection with a non-renounceable entitlement offer (Entitlement Offer) of stapled securities in Aspen Group (comprising one share in Aspen Group Limited and one unit in Aspen Property Trust) (**New Securities**). The Entitlement Offer is being made without the release of a prospectus or product disclosure statement, in accordance with sections 708AA and 1012DAA of the Corporations Act. Prospective investors should have regard to Aspen Group's periodic and continuous disclosure announcements to ASX in addition to this and any other announcement made in connection with the Offer.

Disclaimer
This presentation contains summary information about Aspen Group and its activities and has been prepared in accordance with information available to Aspen Group as at 24 September 2012. The information in the presentation has been prepared in good faith and with due care but no representation or warranty, express or implied, is provided in relation to the currency, accuracy, reliability or completeness of this information. The presentation should be read in conjunction with Aspen Group's other periodic and continuous disclosure announcements to ASX in addition to this and any other announcement made in connection with the Entitlement Offer.

Not financial product advice
The information contained in this presentation is not financial product advice. This presentation and the associated offer documentation has been prepared without reference to your investment objectives, financial situation and particular needs. It is important you read this presentation and the accompanying offer documentation in its entirety, together with Aspen Group's periodic and continuous disclosure announcements to ASX, before making a decision whether to invest. If you are in any doubt, you should consult your broker or financial or other professional adviser.

Investment risk
An investment in Aspen Group securities is subject to investment and other known and unknown risks, some of which are beyond the control of Aspen Group. Aspen Group does not guarantee any particular rate of return or the performance of Aspen Group. Persons should have regard to the risks outlined in this presentation.¹

Not an offer
This presentation does not constitute an offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it will form the basis of any contract or commitment.

Financial information
All financial and operational information contained in this presentation is stated as at the date of this presentation, unless otherwise specified. Currency amounts are in Australian dollars.

Entitlement Offer restrictions
The Entitlement Offer will be conducted in accordance with the requirements of the laws of Australia. No New Securities are being offered to any person whose registered address is outside Australia or New Zealand unless Aspen Group is satisfied (in its absolute discretion) that it would be lawful to make such an offer.
No action has been taken to register New Securities or otherwise permit a public offering of New Securities in any jurisdiction outside of Australia. This presentation and the related offer documents do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation.
The distribution of this presentation and associated offer documentation in jurisdictions outside Australia may be restricted by law and persons who come into possession of it who are not in Australia should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws.

Governing law
This presentation, the Entitlement Offer and any contracts made in connection with the acceptance of the Entitlement Offer are governed by the laws of Western Australia, Australia. Each person who applies for New Securities submits to the jurisdiction of the courts of Western Australia.

Forward looking statements
This presentation and the associated offer documentation contain forward looking statements which are subject to known and unknown risks, uncertainties and other factors that could cause the actual results, performance or achievements of the Aspen Group to vary materially from those expressed or implied in such forward looking statements. Some of the risk factors that impact on forward looking statements are set out in the Risks section of this presentation.


Past performance
Past performance is not a reliable indicator of future performance.

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ASX Announcements

— Investor Presentation continued



Outline

- 1.0 Overview
- 2.0 Strategic review
- 3.0 Overview of the Entitlement Offer
- 4.0 Overview of Aspen
- 5.0 Pro forma financial information
- 6.0 Key risks
- 7.0 Appendix

3



Overview

1.0



Entitlement Offer – summary

- > Aspen is offering approximately 597 million new securities ("New Securities") at \$0.17 per New Security ("Offer Price") to raise approximately \$101.4 million ("Entitlement Offer")
 - 1 for 1 accelerated pro-rata non-renounceable entitlement offer of New Securities
 - 27.7% discount to the closing price of Aspen Securities on the Australian Securities Exchange ("ASX") on 21 September 2012 of A\$0.235
 - 16.0% discount to the theoretical ex-rights price ("TERP")¹ of A\$0.20
 - 40.5% discount to pro forma net tangible assets per Aspen security ("Pro forma NTA") of A\$0.29

- > The Entitlement Offer is being undertaken to repay debt and create headroom under Aspen's core debt facility, to fund the likely exercise of the Investor Put in Aspen Development Fund No.1 and provide further working capital

- > The Entitlement Offer will assist Aspen to operate from an improved position as it continues to execute its strategy to simplify the business

- > The Entitlement Offer is fully underwritten by UBS AG, Australia Branch

1. The theoretical ex-rights price or TERP is the theoretical price at which Aspen securities should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only. The actual price at which Aspen securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.



Entitlement Offer – rationale

Step one in strategic review	> The Entitlement Offer is crucial to provide Aspen with an improved position to finalise its strategic review
Financial flexibility	<ul style="list-style-type: none"> > Debt reduction strategy agreed with Aspen's main lender National Australia Bank ("NAB")¹ > Creates significant headroom under Aspen's core debt facility > Provides liquidity to fund the likely exercise of the Investor Put² and for further working capital
Improved balance sheet	<ul style="list-style-type: none"> > Balance sheet gearing reduced from 46.4% to 39.3%³ > Look through gearing reduced from 49.4% to 41.3%³
Stable and recurring earnings	<ul style="list-style-type: none"> > FY13 is a key year in Aspen's transition to a simpler business > Core Operating Earnings⁴ generated from on balance sheet investment property assets and funds management income from Aspen Parks Property Fund

1. For description of debt reduction strategy see slide 15.
 2. For description of Investor Put see slide 16.
 3. Balance sheet gearing: interest bearing debt less cash divided by total assets less cash; Look through gearing: look through debt less cash divided by look through total assets less cash.
 4. For definition of Core Operating Earnings see slide 14.

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ASX Announcements

— Investor Presentation continued



Entitlement Offer – impact

Use of proceeds

> Proceeds from the \$101.4 million raised under the Entitlement Offer will be used as follows:

Uses	\$m
Permanent reduction of Aspen's NAB core debt facility	15.0
Permanent reduction of Aspen Development Fund No.1 NAB debt facility	20.0
Assumed funding of Aspen Development Fund Investor Put ¹	25.3
Working capital	34.0
Transaction costs	5.0
Terminate excess Interest Rate Swaps	2.1
Total	101.4

Core Operating Earnings and distribution guidance

> Core Operating Earnings² generated from on balance sheet investment property assets and funds management income from Aspen Parks Property Fund

> Forecast FY13 Core Operating Earnings per security ("EPS") guidance of 1.8 cents and forecast FY13 distribution per security ("DPS") guidance of 1.5 cents³

> Represents 10.8% Core Operating EPS yield and 8.9% DPS yield based on Offer Price

1. Excludes any stamp duty payable (estimated \$1.8 million).
 2. For definition of Core Operating Earnings see slide 14.
 3. Distribution payout of 80% of cash Core Operating Earnings.

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Strategic review – initial conclusions

> **De-risk the balance sheet**

- Entitlement Offer and associated debt reduction
- full impairment of loans to associates
- provide liquidity to facilitate funding the likely exercise of the Investor Put in Aspen Development Fund No.1 and provide further working capital

> **De-risk earnings by focusing on recurring income**

- business has been divided into core and non-core with the focus to be on Core Operating Earnings¹
- increase income from rent and recurring management fees and reduce reliance on income from interest and equity investments
- structured exit from residential and commercial development businesses

> **Increase operational efficiency and reduce overheads**

- realisation of non-core assets provides scope to streamline the business

> **Focus on the Group's core strengths**

- Aspen Parks Property Fund
- investment property portfolio
- in place retail distribution platform

1. For definition of Core Operating Earnings see slide 14.

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Aspen Group – investment highlights

- ✓ **Diversified investment property portfolio**
 - office, industrial and accommodation properties
 - geographically diversified across four Australian states
- ✓ **Core income generating assets**
 - net rental income growth of 30% in FY13 under executed leases
 - high occupancy of 97%
 - WALE of 4.2 years post completion of ATO Building in October 2012¹
- ✓ **Strongly performing flagship fund (Aspen Parks)**
 - strong trading performance driven by mining and tourist properties
 - significant capacity to grow through investment in existing properties and acquisitions
 - leverage existing retail distribution platform

1. The Weighted Average Lease Expiry ("WALE") is based on the total property portfolio of Aspen. The Weighted Lease Duration ("WLD") is defined under Aspen's NAB facility agreement and only includes Aspen's property assets in the NAB security pool. Specifically the WLD excludes the ATO Building. The WLD at 30 June 2012 was 1.92 years.




Aspen Group – investment highlights (cont'd)

- ✓ **Simplified business strategy**
 - strategic focus on recurring income (rent and management fees)
 - Aspen Diversified Property Fund currently undertaking an orderly sale of its assets
 - development activities (Aspen Development Fund No.1 and Aspen Living funds) classified as non-core and exit strategies have been put in place to divest assets in an orderly and focused manner
- ✓ **In place retail distribution platform**
 - potential to leverage existing retail distribution platform to drive funds management income
- ✓ **Experienced board and management team to oversee business transition**
 - Board renewal including appointment of Frank Zipfinger as Chairman and Clive Appleton and Hugh Martin as Non Executive Directors, complemented by existing Non Executive Director Terry Budge
 - Hugh Martin assumed the role of Interim Chief Executive Officer on 24 August 2012

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ASX Announcements

—Investor Presentation continued



Summary of key risks

General risks	<ul style="list-style-type: none">> The performance of Aspen could be negatively affected by a number of general risk factors which might be unrelated to Aspen's operating performance, these include:<ul style="list-style-type: none">– economic conditions in Australia and internationally– investor sentiment and stock market conditions– changes in fiscal, monetary and regulatory policies such as inflation and interest rates– changes to taxation laws specifically in relation to stamp duty and other taxes– changes to Government incentives relating to land and property purchases– attitudes to property as an investment class
Specific risks	<ul style="list-style-type: none">> Risk factors specific to Aspen's operations include:<ul style="list-style-type: none">– tenant defaults and vacancy levels– physical works– performance of properties and entities managed by Aspen– contractual risk– interest rates, loan finance, gearing and financial covenants and distributions– key staff– breaches of law, and legal disputes

[See Section 6.0 for details of these and other risk factors](#)

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Strategic review

2.0



Strategic review – impairment of loans to associates

- > As part of the initial stages of the strategic review, Aspen has undertaken a further comprehensive review of its development syndicates and non-core inventory
 - all development syndicates have been identified as non-core and asset realisation strategies have been initiated
- > As a result of the strategic review, the Board has determined to fully impair Aspen's loans to associates, reflecting a \$36.6 million impairment
 - all loans to associates now fully impaired (nil carrying value)
- > This process was carried out on the basis that the syndicates are now non-core and an orderly divestment of the underlying assets or of the Group's interests in the syndicates will take place
 - any value achieved from the disposal of these assets, in excess of senior secured liabilities, represents potential upside to Aspen securityholders
- > As Aspen's FY12 audit process had not been completed at the time the Board determined to undertake the impairment, it was considered necessary that the impairment form part of the Group's audited FY12 financial statements

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Strategic review – core and non-core business divisions

- > As part of the initial stages of the strategic review, Aspen has classified its assets into two separate divisions:
 - Core assets comprising:
 - on balance sheet investment property assets; and
 - Aspen Parks Property Fund (funds management rights and equity investment)
 - Non-core assets comprising:
 - management of funds and development syndicates (Aspen Diversified Property Fund, Aspen Development Fund and Aspen Living residential land syndicates)
- > The key measure of the Group's financial performance will be classified as Core Operating Earnings and will consist of:
 - rental income from on balance sheet investment property assets; and
 - recurring funds management income from Aspen Parks Property Fund
- > Core Operating Earnings excludes all income and direct expenses associated with the non-core assets
 - Aspen is forecasting the non-core assets to be neutral to operating profit in FY13

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ASX Announcements

— Investor Presentation continued



Strategic review – update on debt facilities

- > \$35 million of the Entitlement Offer proceeds will be immediately applied by Aspen to permanently reduce debt facilities with its main debt provider, National Australia Bank ("NAB")
 - \$15 million of the proceeds will be applied to reduce Aspen's core debt facility
 - \$20 million of the proceeds will be applied to reduce the Aspen Development Fund No.1 debt facility¹
- > In return for this permanent reduction of debt, NAB has agreed to:
 - waive the weighted lease duration covenant breach and immediately reduce the covenant from 2.0 years to 1.25 years until 30 June 2013 (covenant will revert to 2.0 years from 1 July 2013)
 - waive the LVR covenant breach in respect of Aspen Development Fund No. 1¹ facility
 - grant a five month extension of the maturity date of the Aspen Development Fund No. 1¹ facility to February 2014
- > Aspen's core debt facility reclassified as non-current
 - maturity February 2014
- > Aspen has also committed to reduce total NAB facilities across the Aspen Group (including all funds and syndicates) by a further \$71 million by 31 December 2013, comprising:
 - \$38 million by June 2013; and
 - \$33 million by December 2013
- > NAB facility reduction to be achieved via an orderly divestment of non-core assets
 - Aspen Diversified Property Fund is already undertaking an orderly sale of its assets, (c.\$120 million of assets available to be sold)
 - the sale of the Nunawading, Victoria property was completed on 20 September 2012 at a premium to book value²

1. Following exercise of the Investor Put, Aspen will own 75.1% of Aspen Development Fund No.1 and the entity will be consolidated on Aspen's balance sheet.
 2. \$18.4 million sale price reflects a c.1% premium to book value.

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Strategic review – Investor Put

- > Aspen has a put option commitment to an Aspen Development Fund No.1 shareholder ("Investor Put")
 - exercisable at the shareholder's discretion between 27 September 2012 and 15 October 2012 (settlement to occur within 60 days post exercise)
 - under the terms of the Investor Put, the shareholder can serve notice on Aspen to purchase the shareholder's shares in Aspen Development Fund No.1 (representing 27.8% of issued capital)
 - cost to Aspen to fulfill its obligations under the Investor Put will be \$25.3 million¹
- > Aspen's Directors formed the opinion, based on a reasonable assessment, that the shareholder is likely to exercise the Investor Put
 - Investor Put is fully provided for in Aspen's balance sheet as at 30 June 2012
 - carried as a current liability at fair value
- > Should the Investor Put be exercised, Aspen's ownership interest will increase from 47.3% to 75.1%, and as a result Aspen will consolidate the Aspen Development Fund No.1

1. Excludes any stamp duty payable (estimated \$1.8 million).

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Entitlement Offer Structure and Size	<ul style="list-style-type: none"> > Fully underwritten, 1 for 1 accelerated pro-rata non-renounceable Entitlement Offer to eligible securityholders¹ to raise approximately \$101.4 million > Issue of approximately 597 million New Securities
Offer Price	<ul style="list-style-type: none"> > Offer Price of \$0.17 per New Security represents a: <ul style="list-style-type: none"> – 16.0% discount to TERP² of \$0.20 – 27.7% discount to Aspen’s closing price on ASX on 21 September 2012 of \$0.235 – 40.5% discount to Pro-forma NTA per security of \$0.29 – 10.8% Core Operating EPS yield and 8.9% DPS yield
Institutional and Retail Entitlement Offers	<ul style="list-style-type: none"> > Record date for the Entitlement Offer is 5.00pm (Australian Western Standard Time) on 27 September 2012 > Institutional Entitlement Offer of approximately \$60.9 million <ul style="list-style-type: none"> – to be conducted on 24 September 2012 – New Securities in respect of the institutional entitlements not subscribed for and the right to subscribe for New Securities which would otherwise have been offered to ineligible securityholders will be placed into the institutional bookbuild > Retail Entitlement Offer of approximately \$40.6 million <ul style="list-style-type: none"> – opens on 3 October 2012 and closes on 17 October 2012 – under the Retail Entitlement Offer, if the Retail Offer is not fully subscribed to, eligible retail securityholders will have the opportunity to apply for New Securities in excess of their entitlements at the offer price (“Additional Securities”) > While the number of additional securities applied for is uncapped, Aspen may apply any scale-back applications for additional securities in its absolute discretion > As the Entitlement Offer is non-renounceable, securityholders will not receive any value for entitlements not taken up
Ranking	<ul style="list-style-type: none"> > New Securities issued under the Entitlement Offer will rank equally with existing Aspen securities on issue and will be eligible for the forecast 1H13 distribution of 0.75 cents per security³

^{1.} See the Retail Offer Booklet to be distributed to eligible retail securityholders, dated on or about 3 October 2012, for eligibility criteria for participation in the Entitlement Offer. Generally, the Institutional Entitlement Offer is open to institutional investors with a registered address in Australia, New Zealand and the jurisdictions referred to in the Appendix (if the requirements in the Appendix are met), while the Retail Entitlement Offer is open to retail investors with a registered address in Australia, New Zealand and are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such person holds the securities for the account or benefit of such a person in the United States).


^{2.} The theoretical ex-rights price or TERP is the theoretical price at which Aspen securities should trade immediately after the ex-date for the Entitlement Offer. The TERP is a theoretical calculation only. The actual price at which Aspen securities trade immediately after the ex-date for the Entitlement Offer will depend on many factors and may not be equal to the TERP.

^{3.} Distribution payout of 80% of cash Core Operating Earnings. Full year forecast FY13 distribution of 1.5 cents per security.

4.0

ASX Announcements

— Investor Presentation continued




Entitlement Offer – indicative timetable¹

Event	Date
Trading halt and ASX announcement to launch Entitlement Offer	24 September 2012
Institutional Entitlement Offer period (bookbuild)	24 September 2012
Trading in Aspen securities resumes	25 September 2012
Record Date for the Entitlement Offer	5pm (AWST ¹), 27 September 2012
Retail Entitlement Offer opens	3 October 2012
Retail Entitlement Offer closes for early applications	8 October 2012
Settlement under the Institutional Entitlement Offer (and early Retail Entitlement Offer)	9 October 2012
Allotment and trading of New Securities issued under the Institutional Entitlement Offer (and early Retail Entitlement Offer)	10 October 2012
Retail Entitlement Offer closes	5pm (AWST ¹), 17 October 2012
Announcement of shortfall under Retail Entitlement Offer	22 October 2012
Settlement of New Securities issued under the Retail Entitlement Offer	24 October 2012
Allotment of New Securities issued under the Retail Entitlement Offer	25 October 2012
Trading of New Securities issued under the Retail Entitlement Offer on a normal basis	26 October 2012
Despatch of holding statements	26 October 2012

1. All dates and times are indicative only and subject to change at the discretion of Aspen, in conjunction with the underwriter. All dates and times are references to Australian Western Standard Time.

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Aspen Group – outlook

- > Entitlement Offer significantly improves Aspen's balance sheet and liquidity position
 - balance sheet gearing reduced to 39.3%^{1,2}
 - financial flexibility to facilitate funding future capital commitments and further reduce debt levels across the Group
- > Continue to reposition Aspen to simpler structure, further improve its capital position and enhance recurring income (rent and management fees)
 - focus on core strengths to de-risk and improve securityholder returns
- > Sound property portfolio fundamentals
 - net rental income growth of approximately \$10 million (+30%) in FY13 under executed leases, resulting from recently completed leasing deals
 - actively pursuing lease extensions
- > Significant growth capacity within Aspen Parks Property Fund to drive funds management income
- > Forecast FY13 Core Operating EPS guidance of 1.8 cents³ and forecast FY13 DPS guidance of 1.5 cents^{4,5}
 - represents 10.8% Core Operating EPS yield and 8.9% DPS yield on Offer Price

1. Assuming Investor Put is exercised (for description of Investor Put see slide 16).
2. Balance sheet gearing: interest bearing debt less cash divided by total assets less cash.
3. Core Operating Earnings excludes all income and direct expenses associated with non-core assets. Refer slide 14 for further detail.
4. Distribution payout of 80% of cash Core Operating Earnings.
5. As a result of undertaking the Entitlement Offer the Board has determined to suspend the Distribution Reinvestment Plan for FY13.

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Overview of Aspen¹

> Aspen is an Australian property investment and funds management group with core assets under management of approximately \$700 million

Corporate structure

Aspen Group (APZ) Stapled Securities

Rental income

Funds management fees, equity profits, interest revenue

↑ Core assets ↑

Property Portfolio
\$379m² AUM

Asset	AUM
Accommodation	\$92m
Commercial	\$189m
Industrial	\$95m

Funds Management
\$310m AUM

Tourist & Accom Parks	
Structure	Unlisted Retail Fund
Equity / % Owned	\$18.8m / 10%
Loans	Nil
AUM	\$310m

↑

Non-core Activities
\$427m AUM

Asset	Loans	AUM
Assets held for sale	n/a	\$23m
Aspen Living	\$2.0m	\$174m
Aspen Development Fund No.1	nil	\$110m
Aspen Diversified ³	\$17.2m	\$120m

1. All figures as at 30 June 2012.

2. Includes other investment property of \$2.9m.

3. Aspen Diversified Property Fund has been consolidated effective 31 October 2011 and Aspen Development Fund No.1 will be consolidated in the event the Investor Put is exercised, both entities are shown within funds management business as they are non-core.

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ASX Announcements — Investor Presentation continued



Investment property portfolio

Overview

- > FY12 rental growth of 9.6% (like-for-like)
- > 14.6% rental growth at Septimus Roe
- > Market review (April 12) at Aspen Karratha Village (AKV) delivered 20% increase in room day rates
- > Secured tenant commitments from 30 June 2012 at Spearwood Industrial Estate for 190,000sqm
- > ATO Building 96% complete (66% at Dec 11) and on target for scheduled completion in Oct 12
- > Independent valuations up \$30.1m on December 2011 (or 13.2%)

Key Metrics	June 2012	June 2011
Portfolio Total (\$m)	379	327
Wtd. Ave Cap Rate (%)	9.34%	9.47%
Occupancy (%)	97%	92%
WALE (years) ¹	1.98	2.33
WALE - post ATO completion (years) ¹	4.23	5.03

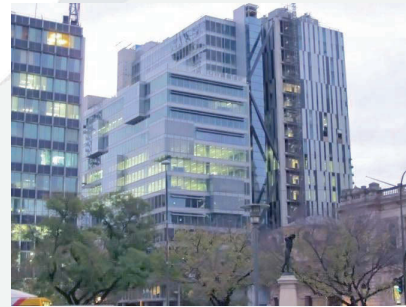


Image depicts ATO Building, SA (50% owned)

Outlook

- > FY13 net rental growth under executed leases (30%) (excluding ATO Building)
- > Active asset management to extend WALE¹

1. The Weighted Average Lease Expiry ("WALE") is based on the total property portfolio of Aspen. The Weighted Lease Duration ("WLD") is defined under Aspen's NAB facility agreement and only includes Aspen's property assets in the NAB security pool. Specifically the WLD excludes the ATO Building. The WLD at 30 June 2012 was 1.92 years. 23

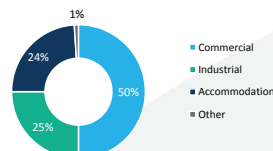


Investment property portfolio (cont'd)

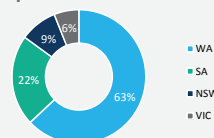
Summary of Investment Properties

Property	Sector	Indep. Valuation Date	Book Value		Cap Rate (%)	WALE (yrs)	Occup. (%)
			June-12 (\$m)	June-11 (\$m)			
Septimus Roe, WA	Office	Jun 12	105.5	87.0	8.75	2.54	91
Spearwood Industrial Estate, WA	Industrial	Jun 12	73.0	58.0	10.00	2.02	100
Karratha Village, WA	Accom.	Jun 12	57.6	44.0	22.00	1.51	100
Noble Park, VIC	Industrial	Dec 11	22.1	21.0	10.00	2.41	100
ATO Building, SA ¹	Office	n/a	83.0	49.6	n/a	n/a	n/a
Sovereign Gardens, Ballina, NSW	Retirement	n/a	35.0	30.2	n/a	n/a	n/a
Midland, WA	Vacant	Dec 10	2.9	-	n/a	n/a	n/a
Total / Averages			379.1	289.8	9.34²	1.98³	97


> Sector diversification



> Geographical diversification



1. ATO Building currently under construction. The carrying value represents Aspen's 50% interest in the book value of work completed.
 2. Weighted Ave Cap Rate (ex Karratha).
 3. WALE upon completion of ATO building in October 2012 is 4.2 years.



Funds management

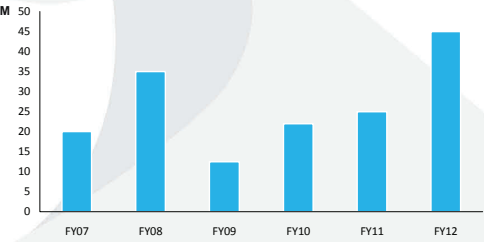
Overview

- > Gross equity inflows in Aspen Parks in FY12 up 82% on prior period (net inflows: +51%)
- > Continued strong performance of Aspen Parks and investor demand for income
- > Leverage existing retail distribution platform


Outlook

- > Continued demand for income producing property funds driven by:
 - low interest rates; and
 - high investor cash holdings
- > Further broadening of adviser networks to grow equity raising capability
- > Fee income to increase through growth of Aspen Parks portfolio (acquisition & organic)

Gross Retail Inflows: FY07-FY12 (Aspen Parks)



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Funds management (cont'd)


Aspen Parks Overview

- > Strong trading performance driven by mining and tourist properties
- > Gearing¹ reduced from 44.4% (June 2011) to 30.8% (June 2012)
- > Annualised distribution rate increased to 10.9c (yield on 1 July application price of 8.8%)
- > Sale of underperforming assets (one sold, one under negotiation)

Aspen Parks Outlook

- > Significant capacity to grow through investment in existing properties and acquisitions
 - c.\$50 million available (based on existing cash reserves and facility limit)

Aspen Parks income segment analysis



Key Metrics	FY2012	FY2011
Equity interest held by Aspen	10.3%	11.9%
Book value – equity	\$18.8m	\$18.0m
Fund management income	\$6.0m	\$6.0m
Share of assoc. profit/(loss)	\$1.6m	\$3.0m

1. Net of cash.

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ASX Announcements

— Investor Presentation continued



Non-core activities – Aspen Diversified Property Fund

- > Unitholders approved orderly sale of assets and wind-up
- > Settlement of Nunawading, VIC (Sep 12) for \$18.4m (c.1% above book value)
- > Actively pursuing sale of balance of portfolio
- > Capital to be returned over expected timeframe of 12-24mths

Key Metrics	June 2012	June 2011
Equity interest held by Aspen	43.6%	35.9%
Book value – equity	\$11.5m ¹	\$11.5m
Book value - loan	\$17.2m	\$25.8m
Fund management income	Consolidated	\$1.2m
Interest income	Consolidated	\$1.8m
Share of assoc. profit/(loss)	Consolidated	\$0.8m

1. Aspen Group's share of net assets.

Property	State	Sector	Valuation (\$m)	Capitalisation rate (%)	Occupancy	WALE (yrs)
Mount St, North Sydney	NSW	Office	27.5	9.00	85	1.87
2 & 3 Apollo, Lane Cove	NSW	Office	16.3	9.25	100	1.68
5 Burra, Shelharbour	NSW	Office/Retail	7.0	9.50	97	3.51
Nunawading (sold September 2012)	VIC	Industrial	18.2	8.25	100	13.60
677 Springvale, Mulgrave	VIC	Industrial	18.7	9.25	100	3.40
60 Grindle, Wacol	QLD	Industrial	12.4	9.25	100	12.35
Homemaker City, Castle Hill	NSW	Retail	20.5	10.00	84	3.48
Total / Averages			120.6	9.18	94	5.30

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Non-core activities – Aspen Living and Aspen Development Fund No.1

- > Further deterioration in residential market despite falling interest rate environment
- > Development and planning cost pressures, approval delays and increased statutory infrastructure charges
- > Housing affordability remains an issue
- > Capital management challenges continue to impact returns

Aspen Living Key Metrics	FY2012	FY2011
Lot settlements (Number)	177	269
Lot settlements (GRV)	\$46.0m	\$61.5m
Ave. equity interest held by Aspen	12.7%	31.1%
Book value – equity	\$5.0m	\$12.6m
Book value – loans from Aspen	\$2.0m	\$59.3m
Fund management income	(\$0.2m)	\$4.4m
Interest income	\$7.1m	\$5.8m
Share of assoc. profit/(loss)	(\$2.8m)	(\$21.9m)

Aspen Development Fund No.1 Key Metrics	FY2012	FY2011
Equity interest held by Aspen	47.3%	46.0%
Book value – equity	nil	\$23.8m
Book value – loan	nil	\$7.4m
Fund management income	\$1.6m	\$3.4m
Interest income	\$1.5m	\$4.3m
Share of assoc. profit/(loss)	(\$1.0m)	(\$11.7m)

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Overview of debt facilities – Aspen¹

Debt summary

Group Facilities	Facility Limit	Drawn Debt ¹	Purpose	Maturity	ICR ²	LVR	Lease Duration	Covenants	
NAB Core Facility	\$108.2m	\$107.9m	Long Term Core Facility	Feb-14	2.0x	47%	1.92yrs	ICR 1.5x	
				LVR 60%					
				Lease 1.25yrs ³					
NAB Karratha ²	\$13.5m	\$13.5m	Karratha Village	Dec-13				Amortising at \$250k/month	
Bendigo Bank	\$17.0m	\$16.6m	Communities Assets (Ballina)	Dec-13	-	60%	-	LVR 60% ⁴	
Telstra Super ⁵	\$58.8m	\$47.0m	Construction Funding (ATO Building)	Jan-13	-	-	-	Refer Note 5	
Telstra Super	\$35.0m	\$15.0m	Convertible Note Facility	Aug-15	-	-	-	Converts to equity interest in ATO Building if not repaid	
Entities Consolidated by Aspen									
Diversified Fund	\$74.7m ⁶	\$74.7m ⁶	Long Term Core Facility	Oct-14	1.7x	65%	-	ICR 1.25x ⁷ LVR 65%	
Aspen Whitsunday Shores	\$6.5m	\$6.2m	Construction Facility	Jun-13	-	55%	-	LVR 65%	
ADF No 1. Ltd - NAB facility	\$41.2m	\$37.0m	Long Term Core Facility	Feb-14	-	49% ¹	-	LVR 55%	
ADF No 1. Ltd – Bankwest facility ⁸	\$11.1m	\$11.1m	Asset Specific Facility	Note 8	-	78%	-	LVR 87%	

1. As at 30 June 2012, adjusted for the impact of the Entitlement Offer and associated debt reduction. Refer to slide 15 for description of debt repayment requirements.

2. Net rental income / interest expense.

3. Weighted lease duration covenant will revert to 2.0 years from 1 July 2013.

4. To be reduced below 50% by 1 July 2013.

5. The borrower (FSPT) has the option to convert the existing construction facility to a five year term loan upon completion of the ATO Building (predetermined LVR covenant of 62%).

6. Prior to the settlement of Nundawading (20 September 2012), \$62.9 million post sale of Nundawading property.

7. Increases to 1.5x from July 2013.

8. Relates to Mariner apartments joint venture (residential development). ADF has received approval from BankWest (19 September 2012) to exit this project through the payment of a \$2.0 million guarantee provided by ADF to BankWest.

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Overview of debt facilities – funds and syndicates¹

Aspen Fund	Lender	Debt facility	Maturity	LVR covenant	LVR actual
Aspen Parks	St George	\$136m	July-14	55%	51%
Aspen Living:					
• Aspen Dunsborough Lakes	NAB	\$26m	Dec-13	62.5% ²	62.5%
• Fern Bay Seaside Village	Bankwest	\$20m	Feb-14	65%	55%
• St Leonard's Estate	ANZ	\$33m	July-15	55% ³	54%
• Enclave at St Leonard's Estate	Police & Nurses	\$12m	June-13	60%	33%

1. Refer to slide 15 for description of debt repayment requirements.

2. Steps down to 57.5% by Jan-13, and 50% thereafter.


3. Step-down to 45% from May-13 and 40% from Jan-14.

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ASX Announcements

— Investor Presentation continued



Pro forma financial information

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Pro forma balance sheet

> Aspen Group pro forma balance sheet

\$m	1 30 Jun 12	2 Adjustments	Pro forma
Cash	3.1	51.1	54.2
Subsidiary assets (held for sale)	119.9	112.2	232.1
Investment properties	379.1	–	379.1
Equity investments	23.9	0.0	23.9
Direct assets held for sale	23.3	–	23.3
Other	38.2	(1.5)	36.7
Total assets	587.4	161.8	749.2
Interest bearing liabilities	199.9 ¹	–	199.9 ¹
Subsidiary liabilities (held for sale) ²	77.0	92.2	169.2
Put option liabilities	26.8	(26.8)	–
Other	35.1	–	35.1
Total liabilities	338.9	65.4	404.2
Net assets	248.6	96.4	345.0
Securities on issue	598.5	596.7	1,195.2
NTA per security	0.41		0.29
Gearing³	46.4%		39.3%

> Adjustments

- Includes full impairment of Aspen's remaining loans to associates, impairments to other assets and trade and other receivables and the provision for stamp duty obligations in respect of commitments under investor put arrangements
- Adjustments made as part of the strategic review and classification of the development syndicates as non-core
- Adjustments incorporated in the Audited Financial Statements for FY12
- See following slide for a reconciliation of NTA per security as per Preliminary Financial Statements to Audited Financial Statements
- Approximately \$101.4 million Entitlement Offer at \$0.17 per New Security
- 597 million New Securities issued
- \$1.5m required to fund investor put over units in Aspen Whitsunday Shores (results in consolidation)⁴
- \$25.3m assumed required to fund Investor Put over units in Aspen Development Fund No.1 (results in consolidation)⁴
- \$15.0m proceeds from Telstra Super convertible note and associated liability

1. Comprises \$3.0 million current interest bearing liabilities; \$196.9 million non-current interest bearing liabilities.

2. Classified as a current liability and includes \$38 million of debt repayment requirements, refer to slide 15.

3. Balance sheet gearing: interest bearing debt less cash divided by total assets less cash.

4. Excluding any potential stamp duty payable.

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aspen

Key risks

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ASX Announcements

— Investor Presentation continued



Key risks

Business activities undertaken by Aspen are subject to a number of risks and other factors which may impact its future performance. Some of these risks, particularly Company specific risks, can be mitigated by the use of safeguards and appropriate controls, however, many are outside the control of Aspen. General risks are associated with any investment in listed securities. Hence, investors should be aware that the performance of Aspen may be affected and the value of its stapled securities may rise or fall over any given period. Potential investors should consider whether the New Securities offered in the Entitlement Offer are a suitable investment having regard to their own personal investment objectives and financial circumstances and the risk factors set out below.

General risks

Many risk factors are outside the control of the Company's directors, and therefore it is important to recognise that share prices might fall or rise and securityholders may or may not receive distributions. Some of the factors that investors should consider before they make a decision whether or not to take up New Securities in Aspen include, but are not limited to, economic conditions in Australia and internationally, investor sentiment and stock market conditions, changes in fiscal, monetary and regulatory policies such as inflation and interest rates, changes in the policies of third parties providing support to Aspen such as banks and other lenders, changes to federal and state taxation laws specifically in relation to Stamp Duty and Other taxes, changes to Government incentives relating to land and property purchases, attitudes to property as an investment class and the factors noted under the section entitled Specific risks. Investors should recognise that the financial performance of Aspen could be negatively affected by any of the above factors, or any other factors not noted, which in turn may affect the price of the New Securities. In addition, share prices of many companies are affected by factors which might be unrelated to the operating performance of the relevant company. Such factors might adversely affect the market price of the Company's securities.

The forward-looking information provided in this Investor Presentation with respect to, but not limited to growth forecasts of the Company's assets, sales, earnings, and capital expenditure estimates is based on certain assumptions which are inherently subject to significant uncertainties. The actual results of the Aspen Group's operations in future years may therefore materially differ from its current estimates.

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Key risks (cont'd)

Specific risks

Tenant Defaults

Rental income can be adversely affected by tenants not making rental payments in a timely fashion and defaulting under their lease agreement. While Aspen uses its best endeavours to satisfy itself as to the financial strength of tenants at the time of commencing a lease, the financial situation of tenants is subject to change at any time.

Vacancy Levels

Vacant space exists in certain properties from time to time.

Where vacancies occur due to tenants not renewing their lease, or defaulting on their lease, it will be necessary to re-let such vacant areas. This may well result in a time lag between the change over to a new tenant or tenants, and therefore create a period during which no rent is received. The period of time taken to re-let vacant space will depend on a variety of factors at that time, including but not limited to, competing property supply and rental values, general economic circumstances, and overall demand requirements from potential tenants.

Commissions will be payable to agents who introduce tenants and incentives may be required to be paid to attract tenants. These costs may vary, depending upon the level of letting activity required for a property. Such costs are charged against rental income.

Vacancy levels can have a direct impact on the value of each of the properties at any point in time, most notably at the point that any one of the properties might be sold. Should vacancy levels have increased from current levels to the point of any such sale, the value of any of the properties being sold is likely to be adversely affected.

An existing tenant may not renew its lease. In the absence of re-leasing to a new tenant vacancy may increase.

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Key risks (cont'd)

Specific risks (cont'd)

Physical Works

In the event that any property requires structural repairs or major works which are not of a capital nature, additional charges may have to be made against the rental income from the respective properties. While allowances are made for repairs it is impossible to predict the exact repair costs ahead of time.

Aspen conducts due diligence on each of the properties it purchases and has engaged experts to report on specific aspects of each of the properties. In some cases it may not be possible to obtain an unqualified report from these experts. It is therefore not possible for Aspen to guarantee that potential monetary risks do not exist in respect of its properties. In addition, potential liability claims against experts may be contractually limited.

Property Performance and Investment

Investment in property should be viewed as a longer-term investment. The impact of property performance (both in terms of those properties that may be acquired by Aspen or the general property market) on the value of Aspen's securities cannot be clearly assessed at this or any future stage. Changing local or global economic conditions may affect the potential resale value of the properties, as well as Aspen's ability to actually achieve such a sale of the properties. Adverse market and economic conditions could lead to any such potential future sale resulting in a capital loss of the properties' values.

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Key risks (cont'd)

Specific risks (cont'd)

Property Performance and Investment (cont'd)

Factors affecting investment property values include capitalisation and discount rates, growth outlooks, supply and demand, economic factors, environmental issues, native title claims, land resumptions and major infrastructure developments.

Changes in market conditions for investment properties may impact Aspen's assets held for investment, including vacancy rates, rental rates, incentive levels, and tenant default, potentially reducing the income and carrying value of Aspen's assets.

Tenants of income producing assets who become distressed or insolvent may also reduce the income received by Aspen.

As of current part its strategic review, Aspen is undertaking an asset realisation programme, which involves the sale of assets. External factors and market conditions may inhibit Aspen's ability to realise the carrying value of its investment properties upon sale.

Performance of Entities Managed by Aspen Group

Guarantees and Contingencies

Aspen has made a number of corporate guarantees relating to the bank facilities of external parties and its associates and contingencies amounting to approximately \$67 million. There is a risk that Aspen may be required to meet the guarantees and contingencies which could restrict Aspen's cash flow.

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ASX Announcements

— Investor Presentation continued



Key risks (cont'd)

Specific risks (cont'd)

Contractual Risk
Aspen has provided debt funding to the Aspen Diversified Property Fund, the Aspen Parks Property Fund, Aspen Communities Property Fund, Aspen Villages Property Fund, other associated entities, and to property development companies which constitute the Aspen Living Division and Aspen Development Fund No 1 Ltd. The recovery of such debt depends upon the success of each of the borrowing entities. However, as disclosed in the presentation Aspen has impaired its remaining loans to associates to nil value.

Interest Rates
Aspen has in place debt facilities at various interest rates. The majority of the Group's borrowings are subject to a hedging facility which reduces the impact of rising rates. Such hedging also reduces the ability to benefit from lower interest rates should interest rates fall. The cost of borrowing is also set by the lenders, which currently have a strong market position, and are able to significantly mark up rates for non-residential borrowers.

Loan Finance
Should there be insufficient funds to meet the interest payments on Aspen's debt facilities, the financiers may wish to enforce their security over Aspen's properties, and sell those properties. Aspen's debt facilities are initially approved for a term less than the relevant project life. The financiers are not generally obliged to rollover or extend the loans upon expiry. Further, there is no certainty that the loans will be able to be refinanced at their expiry. In this situation, a financier may enforce its security and, amongst other actions, require the sale of any of the properties over which it may have security.

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Key risks (cont'd)

Specific risks (cont'd)

Gearing and Financial Covenants
By using debt to part finance the purchase of properties, the potential for capital gains and capital losses increases. As a condition to entering loan arrangements, Aspen must not breach certain covenants negotiated with the loan providers. Key details of these covenants are detailed on slide 29 of this presentation. As at the date of this announcement Aspen was not in breach of any covenants. The covenants relate to Aspen earnings, cash flow and asset values. A material movement in any of these may result in the breach of a covenant. Such breaches would be detrimental to Aspen, and could result in the early enforced repayment of debt. Property assets are by nature illiquid, and such repayment could incur capital losses if assets prove difficult to sell at prices at which they are valued in the accounts of Aspen.

Distributions
Securityholders in Aspen are entitled to participate in distributions of Aspen from time to time but the amount of future distributions or whether a distribution will be made in any given quarter is not guaranteed by Aspen.

Breaches of Law, and Legal Disputes
Aspen is very conscious of its legal responsibilities, but a risk exists that it may breach the law, particularly the Corporations Law. Disputes may arise with parties engaged in its funds management and development activities, or in the leasing of its properties. Such disputes can be costly, and also distract management from its primary purpose of producing investor returns.

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Key risks (cont'd)

Specific risks (cont'd)

Aspen Parks Property Fund

There are risks relating to the ongoing liquidity of the Aspen Parks Wholesale Property Fund. Aspen Group provides a liquidity facility to the Fund which has a six month cancellation clause. Given the withdrawal policy for Aspen Parks Wholesale Property Fund is 5% of net assets per month, the maximum monthly liability based on the current net assets of the Fund is c.\$2.5 million per month. In total Aspen may be required to provide \$15 million should a full six months liquidity be required. However, should Aspen Funds Management, as Manager, declare the fund to be 'illiquid' under the Corporations Act, withdrawals would be suspended.

In addition, risk factors affecting the value of securities and the assets of the Aspen Parks Property Fund will impact on Aspen Group as a result of Aspen Group's interest in the Aspen Parks Property Fund and the management fees Aspen Funds Management receives as manager of the fund. The key risk factors affecting the Aspen Parks Property Fund are competition for accommodation facilities, vacancy levels, increases in property outgoings, risks associated with future acquisitions, exposure to the resources sector as well as specific financial risks such as interest rate risks and borrowing risks and general investment risks.

Execution of exit strategy

Board approval of the underlying syndicates will be required to facilitate the divestment strategy.

Implications of a contraction in the resource sector

Given Aspen Group's weighting to property in Western Australia, mining resource activity has the potential to impact values and income.

Environmental risk

The nature of Aspen's development assets sees ongoing environmental issues raised and mitigated as part of the ordinary course of business. Contamination including asbestos, the presence of hydrocarbons, arsenic, etc. that require remediation occur in various parts of assets. Further, the presence of rare flora and fauna is dealt with as part of the ordinary course of business.

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Key risks (cont'd)

Specific risks (cont'd)

Exposure to resources sector

A reduction in the level of activity associated with mining and resources projects (particularly in the North West of WA) may have an effect upon occupancy levels and asset valuations of Aspen and the Aspen Parks Fund given the provision of accommodation to resource sector personnel. This may negatively impact profits of the Fund, distributions paid to investors and the value of Securities.

Factors that may contribute to reduce activity in the mining and resources sector, and subsequently reduce demand for occupancy, include falling commodity prices and the slowdown of the international economic environment.

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ASX Announcements

— Investor Presentation continued



 A white slide with the Aspen logo in the top right corner. The title "International Offer Restrictions" is in blue. The text below discusses legal restrictions on offering securities in various jurisdictions, including the European Economic Area and France.

International Offer Restrictions

This document does not constitute an offer of new stapled securities ("New Securities") of Aspen in any jurisdiction in which it would be unlawful. New Securities may not be offered or sold in any country outside Australia except to the extent permitted below.

European Economic Area - Belgium, Denmark, Germany and Netherlands

The information in this document has been prepared on the basis that all offers of New Securities will be made pursuant to an exemption under the Directive 2003/71/EC ("Prospectus Directive"), as amended and implemented in Member States of the European Economic Area (each, a "Relevant Member State"), from the requirement to produce a prospectus for offers of securities.

An offer to the public of New Securities has not been made, and may not be made, in a Relevant Member State except pursuant to one of the following exemptions under the Prospectus Directive as implemented in that Relevant Member State:

- to any legal entity that is authorized or regulated to operate in the financial markets or whose main business is to invest in financial instruments;
- to any legal entity that satisfies two of the following three criteria: (i) balance sheet total of at least €20,000,000; (ii) annual net turnover of at least €40,000,000 and (iii) own funds of at least €2,000,000 (as shown on its last annual unconsolidated or consolidated financial statements);
- to any person or entity who has requested to be treated as a professional client in accordance with the EU Markets in Financial Instruments Directive (Directive 2004/39/EC, "MiFID"); or
- to any person or entity who is recognised as an eligible counterparty in accordance with Article 24 of the MiFID.

France

This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers ("AMF"). The New Securities have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.

This document and any other offering material relating to the New Securities have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France.

Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2° and D.411-1 to D.411-3, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.

Pursuant to Article 211-3 of the General Regulation of the AMF, investors in France are informed that the New Securities cannot be distributed (directly or indirectly) to the public by the investors otherwise than in accordance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Monetary and Financial Code.



International Offer Restrictions (cont'd)

Hong Kong

WARNING: This document has not been, and will not be, authorized by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). No action has been taken in Hong Kong to authorize this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Securities have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO). No advertisement, invitation or document relating to the New Securities has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to the New Securities which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors as defined in the SFO and any rules made under that ordinance.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under or in accordance with the Securities Act 1978 (New Zealand). The New Securities are not being offered or sold in New Zealand, or allotted with a view to being offered for sale in New Zealand, and no person in New Zealand may accept a placement of New Securities other than to:

- persons whose principal business is the investment of money or who, in the course of and for the purposes of their business, habitually invest money; or
- persons who are each required to (i) pay a minimum subscription price of at least NZ\$500,000 for the securities before allotment or (ii) have previously paid a minimum subscription price of at least NZ\$500,000 for securities of Aspen ("initial securities") in a single transaction before the allotment of such initial securities and such allotment was not more than 18 months prior to the date of this document.

Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act of 2007.

The New Securities may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in Norwegian Securities Regulation of 29 June 2007 no. 876 and including non-professional clients having met the criteria for being deemed to be professional and for which an investment firm has waived the protection as non-professional in accordance with the procedures in this regulation).

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International Offer Restrictions (cont'd)

Singapore

This document has not been registered as a prospectus with the Monetary Authority of Singapore. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase of the New Securities may not be circulated or distributed, nor may the New Securities be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except to "institutional investors" (as defined in the Securities and Futures Act, Chapter 289 (the "SFA")), or otherwise pursuant to, and in accordance with the conditions of, any other applicable provisions of the SFA.

This document has been given to you on the basis that you are an "institutional investor" (as defined under the SFA). In the event that you are not an institutional investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Securities being subsequently offered for sale to any other party. You are advised to acquaint yourself with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

Sweden

This document has not been, and will not be, registered with or approved by Finansinspektionen (the Swedish Financial Supervisory Authority). Accordingly, this document may not be made available, nor may the New Securities be offered for sale in Sweden, other than under circumstances that are deemed not to require a prospectus under the Swedish Financial Instruments Trading Act (1991:980) (Sw. lag (1991:980) om handel med finansiella instrument). Any offering of New Securities in Sweden is limited to persons who are "qualified investors" (as defined in the Financial Instruments Trading Act). Only such investors may receive this document and they may not distribute it or the information contained in it to any other person.

Switzerland

The New Securities may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange ("SIX") or on any other stock exchange or regulated trading facility in Switzerland. This document has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Securities may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the New Securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of New Securities will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of New Securities has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes ("CISA"). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of New Securities.

This document is personal to the recipient only and not for general circulation in Switzerland.

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4.0

ASX Announcements

— Investor Presentation continued



International Offer Restrictions (cont'd)

United Kingdom

Neither the information in this document nor any other document relating to the offer has been delivered for approval to the Financial Services Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Securities. This document is issued on a confidential basis to "qualified investors" (within the meaning of section 86(7) of FSMA) in the United Kingdom, and the New Securities may not be offered or sold in the United Kingdom by means of this document, any accompanying letter or any other document, except in circumstances which do not require the publication of a prospectus pursuant to section 86(1) FSMA. This document should not be distributed, published or reproduced, in whole or in part, nor may its contents be disclosed by recipients to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of FSMA) received in connection with the issue or sale of the New Securities has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in the United Kingdom in circumstances in which section 21(1) of FSMA does not apply to Aspen.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investments to which this document relates are available only to, and any invitation, offer or agreement to purchase will be engaged in only with, relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

United States

This document may not be released or distributed in the United States. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. Any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States or to US persons (as defined in Regulation S under the US Securities Act) except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

4.0

ASX Announcements – Institutional Entitlement Offer Completion Announcement



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MEDIA RELEASE
25 September 2012

ASX ANNOUNCEMENT

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Aspen Group Successfully completes the Institutional Component of its \$101.4 million Entitlement Offer

Aspen Group ("Aspen": ASX: APZ) today announces the successful completion of the institutional component of its 1 for 1 accelerated pro-rata non-renounceable entitlement offer ("Entitlement Offer") of new Aspen securities ("New Securities") at an offer price of \$0.17 per New Security. The Entitlement Offer opened on Monday, 24 September 2012.

The Entitlement Offer is fully underwritten by UBS AG, Australia Branch.

Institutional Entitlement Offer

The institutional component of the Entitlement Offer ("Institutional Entitlement Offer") took place on Monday, 24 September 2012.

New Securities in respect of institutional entitlements not subscribed for and the right to subscribe for New Securities which would otherwise have been offered to ineligible securityholders were placed into the institutional bookbuild. The institutional bookbuild was successfully completed on Monday, 24 September 2012.

The Institutional Entitlement Offer (including the institutional bookbuild) raised gross proceeds of approximately A\$59 million for Aspen. Approximately 93% of Aspen's eligible institutional securityholders subscribed to take up their entitlements.

Settlement under the Institutional Entitlement Offer and early applications under the retail component of the Entitlement Offer ("Retail Entitlement Offer") are expected to be completed on Tuesday, 9 October 2012. New Securities issued under the Institutional Entitlement Offer (and early applicants under the Retail Entitlement Offer) are expected to be issued and commence trading on the Australian Securities Exchange ("ASX") on Wednesday, 10 October 2012. New Securities issued under the Entitlement Offer will rank equally with existing Aspen securities on issue and will be eligible for the forecast 1H13 distribution of 0.75 cents per security.¹

Aspen Group Chairman Mr Frank Zipfinger said: "The successful Entitlement Offer is an important first step in Aspen's strategic review in order to provide the Group with an improved capital position from which to finalise its strategic review. We are extremely pleased with approximately 93% of eligible institutional securityholders supporting the Entitlement Offer by subscribing to take up their entitlements."

¹ Full year forecast FY13 distribution of 1.5 cents per security. Distribution payout of 80% of cash Core Operating Earnings. Core Operating Earnings defined as rental income from Aspen's on balance sheet investment property assets and recurring funds management income from Aspen Parks Property Fund. Core Operating Earnings excludes all income and direct expenses associated with the non-core assets. Aspen is forecasting the non-core assets to be neutral to operating profit in FY13.

4.0

ASX Announcements – Institutional Entitlement Offer Completion Announcement continued

Allan Gray Australia to participate in the institutional and retail component of the Entitlement Offer

Allan Gray Australia, as manager for various funds ("Allan Gray") holds approximately 18.7% of Aspen. Allan Gray has confirmed that it will support both the institutional and retail component of the Entitlement Offer.

Retail Entitlement Offer

Eligible retail securityholders will be invited to participate in the retail component of the Entitlement Offer ("Retail Entitlement Offer"), which is expected to raise approximately \$41 million, at the same Offer Price and offer ratio as the Institutional Entitlement Offer. The Retail Entitlement Offer will open on Monday, 3 October 2012 and close at 5.00pm (WST) on Wednesday, 17 October 2012.

Entitlements under the Retail Entitlement Offer may only be exercised by eligible retail securityholders, being persons who:

- are registered as a holder of Securities as at 5.00pm (AWST) on Thursday, 27 September 2012 (i.e. the Record Date);
- have a registered address on the Aspen Group securities register in Australia or New Zealand;
- are not in the United States and not "U.S Persons" (as defined under Regulation S under the United States Securities Act of 1933, as amended) ("U.S. Persons") or acting for the account or benefit of U.S. Persons;
- were not an Eligible Institutional Securityholder (or were ineligible to participate as an Institutional Securityholder in the Institutional Entitlement Offer); and
- are eligible under all applicable Securities laws to receive an offer under the Retail Entitlement Offer.

It is the responsibility of retail securityholders to inform themselves of the eligibility criteria for exercise of Entitlements. Further details on eligibility criteria to exercise Entitlements will be included in the retail offer booklet to be lodged with ASX on or about Wednesday, 3 October 2012.

Eligible Retail Securityholders will have an opportunity to apply for New Securities in excess of their entitlement at the Offer Price ("Additional Securities"). While the number of Additional Securities that may be applied for is uncapped, Aspen may apply any scale-back to applications for Additional Securities in its absolute discretion. As the Entitlement Offer is non-renounceable, securityholders will not receive any value for entitlements not taken up.

Key dates for the Retail Entitlement Offer are provided in the Annexure to this announcement

Further information for eligible retail securityholders

Eligible retail securityholders are encouraged to carefully read the Retail Offer Booklet for further details relating to the Retail Entitlement Offer. Aspen expects to lodge the Retail Offer Booklet with the ASX and dispatch to retail securityholders on or about Wednesday, 3 October 2012.

If securityholders wish to obtain more information in the interim, please telephone our investor services centre on 1800 220 840 or visit our website at www.aspengroup.com.au.

Securityholders who are in any doubt as to how they should respond should consult their financial advisor.

Trading halt

Aspen Group expects ASX to lift the trading halt and for Aspen securities to recommence trading on ASX from market open today.

End

For further information please contact:

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Annexure 1: Key dates for the Retail Entitlement Offer

Announcement of the Offer	24 September 2012
Record Date for the Entitlement Offer	5pm (AWST), 27 September 2012
Mailing of entitlement and acceptance form to eligible retail securityholders	3 October 2012
Retail Entitlement Offer opens	3 October 2012
Retail Entitlement Offer closes for early applications	8 October 2012
Settlement under early Retail Entitlement Offer	9 October 2012
Allotment and trading of New Securities issued under the early Retail Entitlement Offer	10 October 2012
Retail Entitlement Offer closes	5pm (AWST), 17 October 2012
Announcement of shortfall under Retail Entitlement Offer	22 October 2012
Settlement of New Securities issued under the Retail Entitlement Offer	24 October 2012
Allotment of New Securities issued under the Retail Entitlement Offer	25 October 2012
Trading of New Securities issued under the Retail Entitlement Offer on a normal basis	26 October 2012
Despatch of holding statements	26 October 2012

Note: All dates and times are indicative only and subject to change at the discretion of Aspen, in conjunction with the underwriter. All dates and times are references to Australian Western Standard Time.

5.0

Important Information

This booklet (including the accompanying ASX announcements and the Investor Presentation reproduced in it) and the accompanying Entitlement and Acceptance Form (**Information**) have been prepared by Aspen Group. The Information in this booklet is dated 3 October 2012 (other than the ASX announcements and Investor Presentation).

No party other than Aspen Group has authorised or caused the issue of this Information, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information.

This Information is important and requires your immediate attention.

You should read the Information in this booklet carefully and in its entirety before deciding whether to invest in New Securities or Additional Securities. In particular, you should consider the risk factors outlined in the accompanying Investor Presentation that could affect the operating and financial performance of Aspen Group or the value of an investment in Aspen Group.

You should consult your stockbroker, accountant, financial adviser, taxation adviser or other independent professional adviser to evaluate whether or not you should participate in the Retail Entitlement Offer.

1 Eligible Retail Securityholders

This information contains an offer of New Securities to Eligible Retail Securityholders in Australia and New Zealand and has been prepared in accordance with sections 708AA and 1012DAA of the Corporations Act.

Eligible Retail Securityholders are those holders of Securities who:

- are registered as a holder of Securities as at 5.00pm (AWST) on Thursday, 27 September 2012 (i.e. the Record Date)¹;
- have a registered address on the Aspen Group securities register in Australia or New Zealand;
- are not in the United States and not “U.S Persons” (as defined under Regulation S under the United States Securities Act of 1933, as amended) (“U.S. Persons”) or acting for the account or benefit of U.S. Persons;
- were not an Eligible Institutional Securityholder (or were ineligible to participate as an institutional securityholder in the Institutional Entitlement Offer); and
- are eligible under all applicable Securities laws to receive an offer under the Retail Entitlement Offer.

Aspen Group may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional securityholder in a foreign jurisdiction which did not participate in the Institutional Entitlement Offer (subject to compliance with applicable laws).

2 Ineligible Securityholders

The Retail Entitlement Offer is only made to Eligible Retail Securityholders. The Retail Entitlement Offer will not be made to Securityholders with registered addresses outside of Australia and New Zealand.

Aspen Group has determined that it would be unreasonable to extend the Retail Entitlement Offer to Securityholders with registered addresses outside of Australia and New Zealand, having regard to the number of such holders in those places and the number and value of the New Securities that they would be offered and the cost of complying with the relevant legal and regulatory requirements in those places.

3 Additional Securities

Eligible Retail Securityholders may also apply for Additional Securities in excess of their Entitlement. There is no guarantee you will receive the number of Additional Securities applied for, if any. The allocation of any Additional Securities will be limited to the extent that there are sufficient New Securities from Eligible Retail Securityholders who do not take up their full Entitlement. Additional Securities will only be allocated to Eligible Retail Securityholders if and to the extent that Aspen Group so determines, in its absolute discretion. Aspen Group may apply any scale-back to applications for Additional Securities in its absolute discretion.

If you apply for Additional Securities then, the Excess Amount (if any) may be treated as an application to apply for as many Additional Securities as your Excess Amount will pay for in full. Any Additional Securities you are allocated will be allotted on Thursday, 25 October 2012. Aspen Group’s decision on the number of Additional Securities to be allocated to you will be final.

¹ Pursuant to a waiver from the ASX and for the purposes of determining entitlements under the Entitlement Offer, Aspen Group will disregard transactions in Securities after implementation of the trading halt in Aspen Group Securities on 24 September 2012, except for settlement of on-market transactions that occurred prior to the implementation of the trading halt.

4 No cooling-off rights

Cooling off rights do not apply to an investment in New Securities or Additional Securities. You cannot withdraw your application once it has been accepted.

5 No Entitlements Trading

Entitlements are non-renounceable and cannot be traded on the ASX or any other exchange, nor can they be privately transferred.

6 Risks

An investment in New Securities and Additional Securities (if applicable) is subject to investment and other known and unknown risks, some of which are beyond the control of Aspen Group, including possible loss of income and principal invested. Aspen Group does not guarantee any particular rate of return or the performance of Aspen Group, nor does it guarantee the repayment of capital from Aspen Group or any particular tax treatment. In considering an investment in New Securities and Additional Securities (if applicable), investors should have regard to (among other things) the “Key Risks” section in the Investor Presentation and the disclaimers outlined in this booklet.

7 Not investment advice

The Information is not a prospectus or product disclosure statement under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. Aspen Group is not licensed to provide financial product advice in respect of the New Securities.

The Information does not purport to contain all the information that you may require to evaluate a possible acquisition of securities in Aspen Group and does not take into account the investment objectives, financial situation or needs of you or any particular investor.

Before deciding whether to apply for New Securities or Additional Securities, you should conduct your own independent review, investigation and analysis of the Securities the subject of the Entitlement Offer. You should obtain any professional advice you require to evaluate the merits and risks of an investment in Aspen Group, before making any investment decision based on your investment objectives and financial circumstances and having regard to the merits or risks involved.

8 Rights and liabilities attaching to New Securities

From the date of issue, the New Securities will rank equally in respect of distributions and have the same rights in all other respects (e.g. voting, bonus issues) as existing Securities on issue. New Securities will be fully entitled to the half-year distribution to 31 December 2012.

Full details of the rights and liabilities attaching to Securities are set out in the Constitutions of Aspen Group Limited and Aspen Property Trust, a copy of which is available for inspection at the registered office of Aspen Group during normal business hours.

9 Alteration of terms

Aspen Group reserves the right, at its discretion, but in consultation with the Lead Manager, to vary, suspend or cancel the Retail Entitlement Offer at any time before the issue of New Securities or Additional Securities to Eligible Retail Securityholders, in which case Aspen Group will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest being payable to Applicants.

Any variation, suspension or cancellation does not give rise to any liability on the part of or any action against, Aspen Group or any Director and will be binding on all Eligible Securityholders.

5.0

Important Information continued

10 Future performance and forward looking statement

Neither Aspen Group nor any other person warrants or guarantees the future performance of the New Securities or any return on any investment made pursuant to this Information. Any forward looking statements, opinions and estimates provided in the Information are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions.

Due care and attention have been used in the preparation of forecast information. However, any forward looking statements including projections, guidance on future revenues, earnings and estimates are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Aspen Group and their officers, employees, agents and advisors, which may cause actual results to differ materially from those expressed or implied in any forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. You should also have regard to the “Key Risks” section of the Investor Presentation.

11 Past performance

Investors should note that the past performance of the Securities provides no guidance as to future price performance.

12 Underwriting information

On 24 September 2012, Aspen Group entered into an underwriting agreement with the Lead Manager, UBS AG, Australia Branch, under which the Lead Manager has agreed to manage and fully underwrite the Entitlement Offer. The Lead Manager will be remunerated by Aspen Group for providing these underwriting and offer management services at market rates and may be reimbursed for certain expenses.

In accordance with the Underwriting Agreement and as is customary with these types of arrangements:

- Aspen Group has indemnified the Lead Manager and its directors, officers, employees, agents and advisers against losses in connection with the Entitlement Offer.
- Aspen Group has given representations, warranties and undertakings in connection with (amongst other things) the Entitlement Offer.
- the Lead Manager may terminate the underwriting agreement and be released from its obligations on the happening of any of a range of events, including if:
 - the S&P/ASX 200 Index or the S&P/ASX 200 Property Index falls below certain levels;
 - there are delays in the timetable for the Entitlement Offer without the prior consent of the Lead Manager;
 - there is a material change in the senior management of Aspen Group or a change to the Aspen Board, except for the appointment of a new Chief Executive Officer;
 - there is a material adverse change in the financial position or business of any member of the Aspen Group;
 - there are material disruptions in financial conditions or markets; or
 - any material adverse new circumstances arise or become known which, if known at the time of issue of the offer documents (including this booklet and all the ASX announcements made in connection with the Entitlement Offer) would have been included in the offer documents, or any of the offer documents are or become misleading or deceptive.

Please note the above is not an exhaustive list of the termination events in the Underwriting Agreement.

The Lead Manager will be paid an underwriting fee of 2.75% of the proceeds from the Entitlement Offer and a management fee of 0.75% of the proceeds from the Entitlement Offer. The Lead Manager reserves the right, at any time, to appoint sub-underwriters in respect of the Retail Entitlement Offer. Any sub-underwriters appointed by the Lead Manager may be paid a fee determined by negotiation with the relevant sub-underwriter.

13 Control implications

Aspen Group does not expect the Entitlement Offer to have a material effect on control.

14 Financial data

All dollar values in this booklet are in Australian dollars (\$) or A\$) unless otherwise stated.

15 Notice to nominees and custodians

Nominees and custodians who hold Securities as nominees or custodians will have received, or will shortly receive, a letter in respect of the Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Securityholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and Ineligible Securityholders.

Due to legal restrictions, nominees and custodians may not send copies of this booklet or any material relating to the Entitlement Offer to any person in the United States, any person that is, or is acting for the account or benefit of, a U.S. Person, or to any person in any other jurisdiction outside Australia or New Zealand except to beneficial securityholders who are institutional or professional investors in the countries listed in, and to the extent permitted under Appendix A ('Selling Restrictions') in the Investor Presentation.

Nominees and custodians may not submit an application or otherwise accept the Entitlement Offer on behalf of a person in the United States, any person that is, or is acting for the account or benefit of, a U.S. Person, or any person in any other jurisdiction outside Australia or New Zealand except beneficial securityholders who are institutional or professional investors in the countries listed in, and to the extent permitted under, Appendix A ('Selling Restrictions') in the Investor Presentation.

16 Governing law

This Information, the Entitlement Offer and the contracts formed on acceptance of the Applications are governed by the law applicable in Western Australia, Australia. Each Securityholder who applies for New Securities or Additional Securities submits to the jurisdiction of the courts of Western Australia, Australia.

17 Taxation

Taxation implications will vary depending upon the individual circumstances of individual investors. You should obtain your own specific professional advice before deciding whether to invest.

18 Foreign jurisdictions

The Information in this booklet has been prepared to comply with the applicable requirements of the securities laws of Australia and New Zealand.

The information does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements, the New Securities or the Additional Securities, or otherwise permit a public offering of the New Stapled Securities or Additional Securities, in any jurisdiction outside of Australia or New Zealand. Return of the personalised Entitlement and Acceptance Form or your BPAY payment will be taken by Aspen Group to constitute a representation by you that there has been no breach of any laws of a jurisdiction outside Australia or New Zealand. The distribution of this booklet (including an electronic copy) outside Australia and New Zealand may be restricted by law.

If you come into possession of this booklet, you should observe such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws. Please refer to Appendix A ('Selling Restrictions') of the Investor Presentation, which is included in this booklet on pages 36 to 38 for more information.

New Zealand

The New Securities are not being offered to the public within New Zealand other than to existing Securityholders of Aspen with registered addresses in New Zealand to whom the offer is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand). This booklet or material accompanying it has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This booklet or material accompanying it is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

5.0

Important Information continued

United States

This booklet and any material accompanying it may not be released or distributed in the United States or to, or for the account or benefit of, U.S. Persons. This booklet and any material accompanying it does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or to, or for the account or benefit of, any U.S. Person. None of the New Securities nor the Additional Securities have been, nor will be, registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States. The Entitlements may not be taken up by persons in the United States or by persons that are, or are acting for the account or benefit of, U.S. Persons, and the New Securities and Additional Securities may not be offered or sold to persons in the United States or to persons that are, or are acting for the account or benefit of, U.S. Persons, except in transactions exempt from, or not subject to the registration requirements of the Securities Act and the applicable securities laws of any state or other jurisdiction of the United States. The New Securities and the Additional Securities to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States to persons that are not U.S. Persons, or acting for the account or benefit of, U.S. Persons, in 'offshore transactions' (as defined in Rule 902 (h) under the Securities Act) in compliance with Regulation S under the Securities Act.

19 Privacy

If you complete an Entitlement and Acceptance Form, you will be providing personal information to Aspen Group (directly or through the Registry). Aspen Group collects, holds and will use that information to assess your application, service your needs as a Securityholder of Aspen Group and to facilitate distribution payments and corporate communications to you as a Securityholder of Aspen Group.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Registry.

You can access, correct and update the personal information that is held about you. If you wish to do so please contact the Registry at the relevant contact numbers set out in this booklet.

Collection, maintenance and disclosure of certain personal information is governed by legislation, including the Privacy Act 1988 (Cth) (as amended) and the Corporations Act. You should note that if all information required on the Entitlement and Acceptance Form is not provided, Aspen Group may not be able to accept or process your application.

20 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Entitlement Offer that is not contained in this Information.

Any information or representation that is not in this Information may not be relied on as having been authorised by Aspen Group in connection with the Entitlement Offer. Except as required by law, and only to the extent so required, none of Aspen Group, or any other person, warrants or guarantees the future performance of Aspen Group or any return on any investment made pursuant to this Information.

The Lead Manager has not authorised, permitted or caused the issue, lodgement, submission, dispatch or provision of this Information and does not make or purport to make any statement in this Information and there is no statement in this Information which is based on any statement by the Lead Manager. The Lead Manager and its affiliates, officers and employees, to the maximum extent permitted by law, expressly disclaim all liabilities in respect of, make no representations regarding, and take no responsibility for, any part of this Information and make no representation or warranty as to the currency, accuracy, reliability or completeness of this Information.

6.0

Glossary

Term	Definition
AWST	Australian Western Standard Time
Additional Securities	Securities offered on the basis of, and under the terms of, the Entitlement Offer in addition to the Entitlement of an Applicant
Applicants	Eligible individuals or entities who submit an application for New Securities on the conditions set out in this booklet in an Entitlement and Acceptance Form or such other form as approved by Aspen Group together with Application Monies
Application Monies	Monies received from persons subscribing for New Securities pursuant to the terms of the Entitlement Offer
ASIC	Australian Securities & Investments Commission ABN 86 768 265 615
Aspen Group (APZ.ASX)	Aspen Group consisting of Aspen Group Limited and Aspen Property Trust, of which Aspen Funds Management Limited is the Responsible Entity
Aspen Group Securityholder(s)	Beneficial owners of Aspen Group Shares
Aspen Group Share(s)	Fully paid ordinary share in Aspen Group Limited ACN 004 160 927
ASX	ASX Limited ACN 008 624 691 or the market conducted by it as the context requires
Core Operating Earnings	Rental income from Aspen's on balance sheet investment property assets and recurring funds management income from Aspen Parks Property Fund. Excludes all income and direct expenses associated with the non-core assets. Aspen is forecasting the non-core assets to be neutral to operating profit in FY13
Corporations Act	Corporations Act 2001 (Cth) (as notionally modified by Australian Securities and Investments Commission Class Orders 05/26, 07/571 and 08/35)
Early Close Date	Early closing date of the Retail Entitlement Offer being 5.00pm (AWST) 8 October 2012, unless extended by Aspen Group
Eligible Institutional Securityholder(s)	An institutional or sophisticated securityholder of Aspen Group Securities to whom offers were made under the Institutional Entitlement Offer
Eligible Retail Securityholder(s)	Those Securityholders eligible to participate in the Entitlement Offer, as determined in Section 1 of the 'Important Information' section of this booklet
Entitlement(s)	The entitlement of an Eligible Retail Securityholder to take up a certain number of New Securities pursuant to the Entitlement Offer based on the number of Existing Securities held on the Record Date
Entitlement and Acceptance Form	A personalised acceptance form accompanying this booklet which Eligible Retail Securityholders may use to apply for New Securities
Entitlement Offer	The offer of New Securities described in this booklet
Excess Amount	The amount paid by an Eligible Retail Securityholder in excess of the amount necessary to pay in full for their full Entitlement
Final close date	Final closing date of the Retail Entitlement Offer being 5.00pm (AWST) 17 October 2012, unless extended by Aspen Group
Ineligible Securityholder(s)	A Securityholder who did not receive an offer to participate (other than as a nominee, in respect of other underlying holdings) in the Institutional Entitlement Offer and who Aspen Group determines is not an Eligible Retail Securityholder
Information	This Retail Entitlement Offer Booklet and its accompanying attachments and enclosures

6.0

Glossary continued

Term	Definition
Institutional Entitlement Offer	The institutional component of the Entitlement Offer
Institutional Bookbuild	A bookbuild for the Institutional Entitlement Offer, through which Entitlements not taken up by Eligible Institutional Securityholders were offered and sold to institutional investors (including Eligible Institutional Securityholders) which was completed on 24 September 2012
Investor Presentation	The investor presentation relating to the Entitlement Offer, which was released to ASX by Aspen Group on 24 September 2012 and is included in this booklet
Lead Manager	UBS AG, Australia Branch ABN 47 088 129 613
New Securities	Securities offered on the basis of, and under the terms of, the Entitlement Offer
Offer Price	\$0.17 per new security
Record Date	The date for determining Entitlements under the Entitlement Offer, being 5.00pm (AWST) 27 September 2012
Registry	Link Market Services Limited ABN 54 083 214 537
Retail Entitlement Offer	The retail component of the Entitlement Offer
Retail Entitlement Offer Booklet	This booklet
Retail Entitlement Offer Period	The period from 3 October 2012 to 17 October 2012, unless extended by Aspen Group
Security	A stapled security comprising one ordinary share in Aspen Group Limited and one unit in Aspen Property Trust which are stapled together (so that they must not be traded separately)
Securities Act	United States Securities Act of 1933, as amended
Securityholder(s)	The registered holder of an Aspen Group Security
Theoretical Ex-rights Price	The theoretical price at which Aspen Group securities should trade immediately after the ex-date for the Entitlement Offer and is a theoretical calculation only
Underwriting Agreement section of this booklet	The underwriting agreement referred to in Section 13 of the 'Important information'
U.S. Person	As defined in Regulation S under the Securities Act

7.0

Corporate Information

Responsible Entity

Aspen Funds Management Limited (ABN 48 104 322 278) as the Responsible Entity of Aspen Property Trust (ARSN 104 807 767)

Aspen Group Limited (ACN 004 160 927)

Level 3, 129 St Georges Terrace
Perth, WA 6000
Australia

Telephone: (08) 9220 8400

Facsimile: (08) 9220 8401

Website: www.aspengroup.com.au

Aspen Group Offer Information Line

Australia: 1300 733 154

International: +61 2 8280 7207

Open 6.30am to 5.00pm (AWST) Monday to Friday during the Retail Entitlement Offer Period prior to 8 October 2012

Open 5.30am to 5.00pm (AWST) Monday to Friday during the Retail Entitlement Offer Period from 8 October 2012

Registry manager

Link Market Services Limited

178 St Georges Terrace
Perth, WA 6000
Australia

Telephone: 1300 733 154 (within Australia)

Telephone: +61 2 8280 7207 (outside Australia)

Facsimile: 02 9287 0303

Web: www.linkmarketservices.com.au

