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MEDIA RELEASE

**ASX ANNOUNCEMENT
25 September 2012**

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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

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.

pleased with approximately 93% of eligible institutional securityholders supporting the Entitlement Offer by subscribing to take up their entitlements.”

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

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.