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ASPEN GROUP LAUNCHES NEW PROPERTY FUND

Aspen Group (ASX:APZ) is pleased to announce further growth in its funds management division with the launch of a unique new fund, the Aspen Villages Property Fund (“Aspen Villages” or “Fund”).

Demonstrating Aspen’s ability to generate niche property funds, Aspen Villages will develop and manage a portfolio of modular home villages, providing investors with a combination of income and capital growth returns.

Key features of Aspen Villages are:

- Target average return of 18% p.a.
- Integrated developer, owner and operator model
- Returns to comprise a combination of development profit and annuity style income
- Aspen Group to hold an initial cornerstone investment in the Fund of 20% ensuring alignment of interests between the Manager and Investors.

Aspen Managing Director Mr Angelo Del Borrello said the launch of Aspen Villages was a further exciting addition to the Group’s growing range of funds management products.

“Aspen has a successful track record of identifying emerging or niche property sectors, with the launch of Aspen Villages a further example of the Group’s capabilities,” said Mr Del Borrello.

Aspen has seeded assets on balance sheet prior to the establishment of the Fund. This again demonstrates Aspen’s capacity to leverage its balance sheet strength to secure an initial portfolio of assets, ensuring the Fund commences with a well diversified portfolio.

Mr Del Borrello said, “Our research into the demographic changes within Australia has identified a growing need for affordable types of permanent accommodation, and we believe the development of such accommodation will result in a secure property investment opportunity for investors.”

Aspen Villages will develop villages from largely “Greenfield” sites for both the lifestyle and tourist markets, utilising the latest modular home construction methods. Lifestyle villages will address the growing affordability issues faced by the increasing number of retirees, with an aim to offer homes at 40%-60% of the median house price in each state. Tourist villages will offer an affordable holiday alternative with management contracted out to Aspen’s experienced Aspen Parks team. The initial portfolio comprises six sites across four states of Australia.

Each village will be complemented by communal facilities and set in a secure gated environment. It is expected that the first village will be ready for residents in July this year.

The Fund will seek to raise \$40 million from wholesale and sophisticated investors, with a minimum investment of \$500,000. An information memorandum is currently available with applications accepted on a first come basis.

“Direct property investment has proven its resilience in the recent volatile investment markets and Aspen prides itself on developing successful niche investment funds as attractive options for investors,” said Mr Del Borrello.

Further information on the Fund is available by contacting Aspen Group on 1800 220 840.

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For further information on this announcement please contact:

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About Aspen Group

Aspen Group is an ASX listed property investment and funds management group, focused on acquiring quality property assets and creating and managing innovative property funds and syndicates.

Formed in 2001, Aspen has progressed rapidly and is now a member of the S&P/ASX 300 index with assets under management now in excess of \$1.4 billion.

Aspen's core strength lies within the Group's broad expertise across property acquisition, development and management enabling the Group to provide leading edge property solutions.

Aspen directly owns and manages a well diversified portfolio of commercial property assets Australia-wide. The portfolio, spread across the office, industrial and retail sectors, has grown in value to \$380 million (31 December 2007) through acquisitions, and portfolio revaluations of existing properties driven by a strong property management focus.

Aspen also has developed an outstanding reputation for creating unique and successful funds management products and related services. These managed funds have provided investment opportunities across a broad spectrum of property sectors including tourist parks, residential land subdivisions, CBD office developments, private hospital developments and retirement and accommodation villages.

Aspen continues to source acquisition opportunities for both balance sheet and syndication purposes in order to achieve further growth in both assets and earnings for securityholders.