



Aspen Group Limited
ABN 50 004 160 927

Aspen Property Trust
ARSN 104 807 767

Level 8, Septimus Roe Square
256 Adelaide Terrace, Perth
Western Australia, 6000

Telephone: 08 9220 8400
Facsimile: 08 9220 8401

Email: homemail@aspengroup.com.au

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Aspen to Progress Karratha Accommodation Projects \$22 million Equity Placement Stapled Security Purchase Plan

Aspen Group (ASX:APZ) ("Aspen or Group") is pleased to announce progress of two exciting projects in Western Australia. The two projects comprise accommodation villages to service the requirements of the major resource sector groups in the Pilbara region.

Aspen will fund the projects through the proceeds of an equity placement to institutional and sophisticated investors of 24.5 million ordinary fully paid stapled securities at \$0.90 each, raising gross proceeds of approximately \$22.1 million.

Aspen is also pleased to offer all existing securityholders in Aspen Group the opportunity to acquire stapled securities at the same price as the Placement under a Stapled Security Purchase Plan.

Managing Director Mr Angelo Del Borrello said the result reflected the quality of the proposed projects and Aspen's strong underlying investment fundamentals.

"We have been pleased with the response to the capital raising, especially in light of the very difficult current market environment, with support from Aspen's existing institutional securityholders and a number of new investors, resulting in a broadening of the Group's security register," said Mr Del Borrello.

"The new funds raised will enable Aspen to progress these quality projects which are accretive to both earnings and NTA, and represent sound long term assets for the Group."

Euroz Securities Limited acted as the lead manager to the Placement.

Proposed Development Assets

1. Aspen Karratha Village

As announced to the ASX on 23 April 2008, Aspen is developing an accommodation village in Karratha in the north west of WA. The principal tenant of the village will be Woodside which has entered a 5-year lease agreement (with a subsequent 5-year option). To date the project's construction costs have been met through Aspen's existing debt facilities and this capital raising now secures the preferred equity component.

2. Balmoral Accommodation Village

Aspen's managed investment fund, Aspen Parks Property Fund, owns an accommodation park in Karratha which includes surplus land suitable for development into accommodation facilities on a similar basis to those developed at the Aspen Karratha Village. Aspen Group will underwrite the equity component of the project within the Aspen Parks Property Fund from proceeds raised via this Placement.

Impact on Aspen

The proceeds from the Placement of \$22.1 million will be applied in the following manner:

	<u>\$ million</u>
Aspen Karratha Village	8.6
Balmoral Accommodation Village	10.8
Debt reduction	2.0
Issue costs	<u>0.7</u>
Total	22.1

The Aspen Karratha Village will significantly increase future rental income for Aspen Group and add to the Group's strong asset base, while the Balmoral Accommodation Village will add to Aspen's investment and funds management income.

The projected financial impact of the two projects on the Group's earnings (post-Placement) is as follows:

<u>Financial Year</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
EPS Impact (%)	+7.7%	+10.4%	+11.1%

The current annualised distribution rate of 15.5 cents per security remains unchanged.

A summary of the Group's financial position following completion of the Placement and completion of the proposed development assets is shown in the following table:

<u>Balance Sheet</u>	<u>30 June 08</u>	<u>Pro Forma¹</u>
Securities on issue	265.3m ²	289.8m
Gross assets	\$653m	\$703m
Net assets	\$380m	\$416m
Gearing	33.3%	32.8%
NTA per share	\$1.41	\$1.42
Discount of Placement issue price to Proforma NTA		36.4%

1. Pro Forma figures are based on the values of projects on-completion
2. Includes securities issued under the DRP for the June 2008 quarterly distribution.

Mr Del Borrello said Aspen were very pleased to have been able to fund these exciting projects during what is a time of unprecedented market turmoil.

"We remain very mindful of maintaining a sound balance sheet, with relatively modest gearing, whilst having the capacity to pursue opportunities as they arise and that meet our strict return criteria," said Mr Del Borrello.

Stapled Security Purchase Plan (“SSPP”)

All securityholders in Aspen Group at the Record Date shown below will be invited to participate in the SSPP, irrespective of the number of securities they currently own. Each securityholder will be entitled to purchase up to \$5,000 worth of securities in Aspen at the Placement issue price of \$0.90 per security, with no associated brokerage costs, commission or stamp duty. The SSPP provides smaller securityholders with the opportunity to increase their holding in the Group at the offer price and is being offered in accordance with the ASX listing rules.

The SSPP is open to all securityholders who are registered as holders of fully paid ordinary stapled securities in the Group at 5.00pm Western Standard Time on 15 October 2008 (“**the Record Date**”).

The proceeds raised under the SSPP will be used to reduce the Group’s existing debt facilities.

Each director intends to participate either individually or through their associated entities to take up the maximum entitled allocation of securities under the SSPP.

The timetable for the SSPP is as follows:

Entitlement Date (Record Date)	15 October 2008
SSPP Offer Closing Date	14 November 2008
Issue of New Securities and Dispatch of Holding Statements	21 November 2008

Full details of the SSPP and an Application Form will be posted to securityholders within the next few days.

End

For further information please contact:

Angelo Del Borrello
Managing Director, Aspen Group
Phone: (08) 9220 8400
Mobile: 0419 335 411

John McGlue
Porter Novelli
Phone: (08) 9386 1233
Mobile: 0417 926 915

Or visit www.aspengroup.com.au

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 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 is spread across the office, industrial and retail sectors and has grown 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.