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ASX ANNOUNCEMENT 13 JANUARY 2009

SALE OF QUEENSLAND RETAIL PROPERTY

Aspen Group (ASX:APZ) is pleased to announce the sale of its Gardentown Shopping Centre ("Gardentown") to Queensland Investment Corporation for \$30 million.

The sale price of \$30 million, which reflects Aspen's current book value for the property, was achieved on a **passing income yield of 5.50%** and an estimated **reversionary yield of 7.40%** reflecting a very positive result in the current market environment.

Gardentown, located in Toowoomba, Queensland, is a circa 12,000sqm retail centre. The asset was in the planning process for a significant redevelopment. However, given Gardentown's current trading and income performance, its short lease expiry profile and the softening retail outlook, the asset represented some income risk for Aspen in the medium term. The sale eliminates Aspen's retail sector exposure and further removes potential development risk from the portfolio together with any requirement to fund development capital expenditure.

Aspen Managing Director Mr Angelo Del Borrello said the sale was an excellent result in difficult market conditions.

"This sale enables Aspen to remove all retail exposure from its balance sheet, while the sale price at current book value reinforces Aspen's realistic asset valuations underpinning its net tangible asset position," said Mr Del Borrello.

Proceeds from the sale will be applied to debt reduction.

Mr Del Borrello said Aspen remained committed to its policy of maintaining a conservatively geared balance sheet. Following the settlement of Gardentown, Aspen's gearing will reduce 2% to 35%.

Settlement is expected to be effected on 19 January 2009.

End

For further information 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 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.