



NOTICE OF GENERAL MEETING AND EXPLANATORY NOTES

For a meeting of securityholders requisitioned pursuant to
Section 249D of the Corporations Act

Date of Meeting: 24 March 2011 9.00am (WST)
Place of Meeting: The Silver Room, Novotel Perth Langley Hotel

IMPORTANT ISSUES ARE OUTLINED IN THIS DOCUMENT

**YOU ARE URGED TO CONSIDER THESE ISSUES CAREFULLY
AND EXERCISE YOUR RIGHT TO VOTE**

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18 February 2011

CHAIRMAN'S LETTER

Dear Fellow Securityholder

A shareholder group (the "Requisitioners") has requisitioned a meeting of securityholders to remove three of the four existing Independent Non-Executive Directors and your Managing Director and replace them with three alternative directors.

This hostile action is being led by Entrust Funds Management Limited ("Entrust") and Mr Angelo Del Borrello, who was terminated as Managing Director of the Company in June 2010. Entrust is a Perth based wealth management business who became a shareholder in Aspen Group on 23 November 2010. It appears that prior to that date, Entrust did not have any direct holding in the Company over the last two years (albeit may have had some holdings through related parties in that time).

Mr Del Borrello's termination just seven months ago followed a significant consultation between the Board and the senior executive team. The Board of Aspen **unanimously** decided to terminate his service contract as Managing Director and appoint Mr Gavin Hawkins to lead your Company. This decision was supported at the time (and until as recently as 25 January 2011) by Non-Executive Director Mr Seng Fai Chan.

The decision to terminate Mr Del Borrello's contract was an example of arguably the single most important role that is played by a board of directors in their role to protect the interests of all shareholders – deciding who should be the Managing Director. It would appear Mr Del Borrello is now trying to get his job back with the support of Entrust.

It is very important to note that apart from making broad assertions, which your Board refutes, Mr Del Borrello and Entrust have not provided any detail about their plans for the future of your Company.

There is time for Mr Del Borrello and Entrust to do this and your Board calls on them to do so well before this crucial vote on the future management and control of your Company on the 24th March 2011.

A statement from the Requisitioners has been included in the attached notice of meeting. This statement contains a number of assertions that are strongly refuted in the "Statement from Affected Directors" notice from Messrs Budge, Hawkins and myself, which I urge you to read.

Two further statements have also been included from your existing directors, one from Mr Seng Fai Chan, whose position as a director is unaffected by the resolutions, and one from our newest Board member, Mr Frank Zipfinger, who was appointed on 31 January 2011.

As your Chairman, and together with my fellow directors Messrs Budge, Hawkins and Zipfinger, I urge you to consider this matter carefully and vote AGAINST all resolutions.

A key assertion made by the Requisitioners is that Aspen Group has "lost its way" since the departure of Mr Del Borrello 7 months ago. The truth is that your Company now has a cohesive senior executive team, fully committed to executing a clear strategic plan that was put in place at the start of the 2010/2011 financial year.

Key elements of this strategic plan were communicated at the 2010 AGM and include:

- growth and continued improvement of the investment property portfolio;
- active recycling and sale of non-core assets;
- expansion of the funds management business; and
- extension of debt facility maturities well ahead of term

We have outlined in some detail in the "Statement from Affected Directors", some of the many achievements of your Company in the period since Mr Del Borrello's role was terminated.

The Requisitioners also assert that there is insufficient property and funds management experience on the Board. The four directors affected by the resolutions bring substantial experience to the Board. This includes expertise across property, finance, accounting, economics, law, governance, and business acumen in general. These are all key requirements to ensure a high level of stewardship exists to guide the Company's operations.

As outlined at the 2010 AGM, the Board stated that it wanted to further enhance the Board structure. We were pleased to announce then, the appointment of Mr Zipfinger on 31 January 2011. Mr Zipfinger, who is based in Sydney, is a very highly regarded and experienced institutional property lawyer who was previously Chairman of Partners at Mallesons Stephen Jaques and has a great deal to offer the Company at Board level.

Another assertion made by the Requisitioners is that changes to the Board are essential to narrow the gap between the Group's share price and its intrinsic value. I highlight at this time that the Group's discount to Net Tangible Assets has in fact improved since Mr Del Borrello's termination and importantly, our share price has, in the seven months since his departure, **outperformed both the ASX200 REIT and ASX300 REIT indices.**

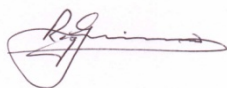
As you know, the economic environment for REIT's has been very tough with 87% of companies within the ASX300 REIT currently trading at a discount to their asset value. Notwithstanding this, the Board remains committed to improving shareholder value by executing its strategy for growth as outlined above. We are already seeing positive results from the implementation of this strategy. These include the successful syndication of The Enclave residential estate, the acquisition of the \$184 million Australian Taxation Office in Adelaide and extension of the Group's senior debt facilities to 2014.

On a final note, I am deeply concerned that the passing of any of these resolutions could significantly destabilise the senior executive team.

The attached Notice of Meeting and Explanatory Statements contain the information you need to decide how to vote on this critical issue regarding the future management and control of your Company.

Your vote is very important and once again, **I urge you to vote AGAINST all the resolutions.**

Yours faithfully



Reg Gillard
Chairman

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of members of Aspen Group Limited ACN 004 160 927 ("Aspen" or "Company") and Aspen Property Trust ARSN 104 807 767 (the "Trust") (together "Aspen Group") will be held in The Silver Room, Novotel Perth Langley Hotel, 221 Adelaide Terrace, Perth, Western Australia at 9.00am (WST) on Thursday 24 March 2011.

This notice has been prepared by Aspen Group to comply with the Corporations Act following receipt by the Company of a requisition for the election and removal of Directors pursuant to Section 249D of the Corporations Act.

ELECTION AND REMOVAL OF DIRECTORS

On 31 January 2011, the Directors of the Company received a request from Entrust Funds Management Ltd and others holding at least 5% of the votes that may be cast at a general meeting (Requisitioning Securityholders) that the Directors call and hold a general meeting of the Company. The Requisitioning Securityholders include Angelo Del Borrello who was replaced as Managing Director of Aspen Group in June 2010.

Section 249D of the Corporations Act 2001 (Cth) ("Corporations Act") provides that the directors of a company must call and arrange to hold a meeting on the request of shareholders holding at least 5% of the votes that may be cast at a general meeting. This meeting is being held, and resolutions 1 to 7 below are being proposed, in accordance with the terms of that request.

Four of the proposed resolutions are to remove four existing Directors namely Mr Reginald Gillard (Chairman), Mr Gavin Hawkins (Managing Director), Mr Terry Budge (Non-Executive Director) and Mr Frank Zipfinger (Non-Executive Director). Resolutions 4-6 are to appoint directors nominated by the Requisitioning Securityholders.

AGENDA

To consider, and if thought fit to pass, the following resolutions as ordinary resolutions:

Resolution 1 - Removal of Director - Mr Reginald Gillard

"That, in accordance with the Company's constitution, Mr Reg Gillard be removed as a director of Aspen, with immediate effect."

Resolution 2 - Removal of Director - Mr Gavin Hawkins

"That, in accordance with the Company's constitution, Mr Gavin Hawkins be removed as a director of Aspen, with immediate effect."

Resolution 3 - Removal of Director - Mr Terry Budge

"That, in accordance with the Company's constitution, Mr Terry Budge be removed as a director of Aspen, with immediate effect."

Resolution 4 - Election of Director - Mr Angelo Del Borrello

"That, Mr Angelo Del Borrello, having consented to act, be appointed as a director of the Company, with immediate effect."

Resolution 5 - Election of Director - Mr David Franklyn

"That, Mr David Franklyn, having consented to act, be appointed as a director of the Company, with immediate effect."

Resolution 6 - Election of Director - Mr Richard Colless

"That, Mr Richard Colless, having consented to act, be appointed as a director of the Company, with immediate effect."

Resolution 7 - *"That subject to the passing of any or all of Resolutions 1, 2 and 3, each person (if any) appointed as a director of the Company between 27 January 2011 and the time of commencement of this general meeting (other than Mr Gillard, Mr Hawkins and Mr Budge) be removed as a director of the Company, with immediate effect."*

Note that at the date of distributing this Notice, Resolution 7 applies to the removal of Non- Executive Director Mr Frank Zipfinger, who was appointed to the Board on 31 January 2011.

BOARD RECOMMENDATION

After carefully considering the proposed resolutions, including the reasons for proposing them submitted by the Requisitioning Securityholders, the Board of the Company (excluding Mr Seng Fai Chan) recommends that securityholders **vote AGAINST all proposed resolutions**.

By order of the Board



Diniz Cardoso
Company Secretary
Dated: 18 February 2011

VOTING INSTRUCTIONS

HOW TO VOTE

You may vote by attending the Meeting in person or by proxy or a body corporate can appoint a corporate representative. Securityholders can download and fill out the 'Appointment of Corporate Representation' form from the Company's share registry website: www.linkmarketservices.com.au/public/forms/general.html

VOTING IN PERSON

To vote in person, you must attend the Meeting on Thursday 24 March 2011 in The Silver Room, Novotel Perth Langley Hotel, 221 Adelaide Terrace, Perth. The Meeting will commence at 9.00am (WST) with registrations from 8.30am.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed with this Notice of Meeting as soon as possible and either:

return the proxy form by post to:
Aspen Group
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235

or by hand delivering it to Link Market Services Limited, Level 12, 680 George Street, Sydney NSW 2000

or fax the proxy form to Link on facsimile number +61 2 9287 0309

so that it is received no later than 9.00am (WST) on Tuesday 22 March 2011.

If the appointment is signed by an attorney, the power of attorney or a certified copy of it must be sent with the proxy form.

VOTING ENTITLEMENTS

The Directors have determined that for the purposes of Regulation 7.11.37 of the Corporations Regulations, the persons eligible to vote at the meeting will be those persons who are registered as securityholders at 4.00pm (WST) on 22 March 2011. Accordingly, share transfers registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

STATEMENT FROM AFFECTED DIRECTORS

STATEMENT FROM CHAIRMAN REG GILLARD, AND FELLOW DIRECTORS MESSRS TERRY BUDGE & GAVIN HAWKINS (TOGETHER THE “AFFECTED DIRECTORS”)

BACKGROUND INFORMATION

On 25 January 2011, Mr David Franklyn (Entrust Funds Management Ltd “Entrust”) approached the Chairman of Aspen Group advising that Entrust, together with other parties, would soon have the required shareholding to requisition a general meeting of the Company to seek the removal of three of the four existing Board members and the appointment of three new directors to the Board, including the replacement of the current Managing Director with his predecessor. Notably, Mr Franklyn gave the Board less than one business day to accede to these demands.

This approach was made despite the Requisitioners having made no previous requests of the Aspen Board, either written or verbal, for clarification of strategy or to communicate any dissatisfaction they may have had with the Company prior to taking this action. Despite this hostile and unfortunate approach, we respectfully requested that they communicate their concerns to the Board in a reasonable and constructive way, however this was ignored. Entrust and Mr Del Borrello then subsequently formally requisitioned the shareholder meeting.

A number of assertions have been made in the requisition of meeting which are specifically addressed later in this statement. However, there are several important matters that securityholders should be aware of when making their decision.

1. The action is being led by Entrust who only became a shareholder in Aspen Group in late November 2010 and Angelo Del Borrello, who was terminated as Managing Director of the Company in June 2010.
2. Mr Del Borrello's termination in June 2010 followed frustration at Board level with Mr Del Borrello. There was significant consultation between the Board and the senior executive team, who at the time had expressed their concern to the Chairman about Mr Del Borrello's leadership and strategy.
3. Under a negotiated settlement with Mr Del Borrello, it was agreed that he would not take any action to destabilise the Company for the 6 month period ended 31 December 2010. The later part of this period coincided with the timing of Entrust taking a stake in the Company, and it now appears that he has been actively seeking to secure his reappointment to the position of Managing Director with the assistance of Entrust, who it would appear are opportunistically looking to gain control of the Board and the Company with a modest investment and without paying a premium.

SPECIFIC ASSERTIONS MADE BY REQUISITIONERS

1. Assertion: Aspen has “lost its way” and has underperformed against its peer group

Affected Director’s Response

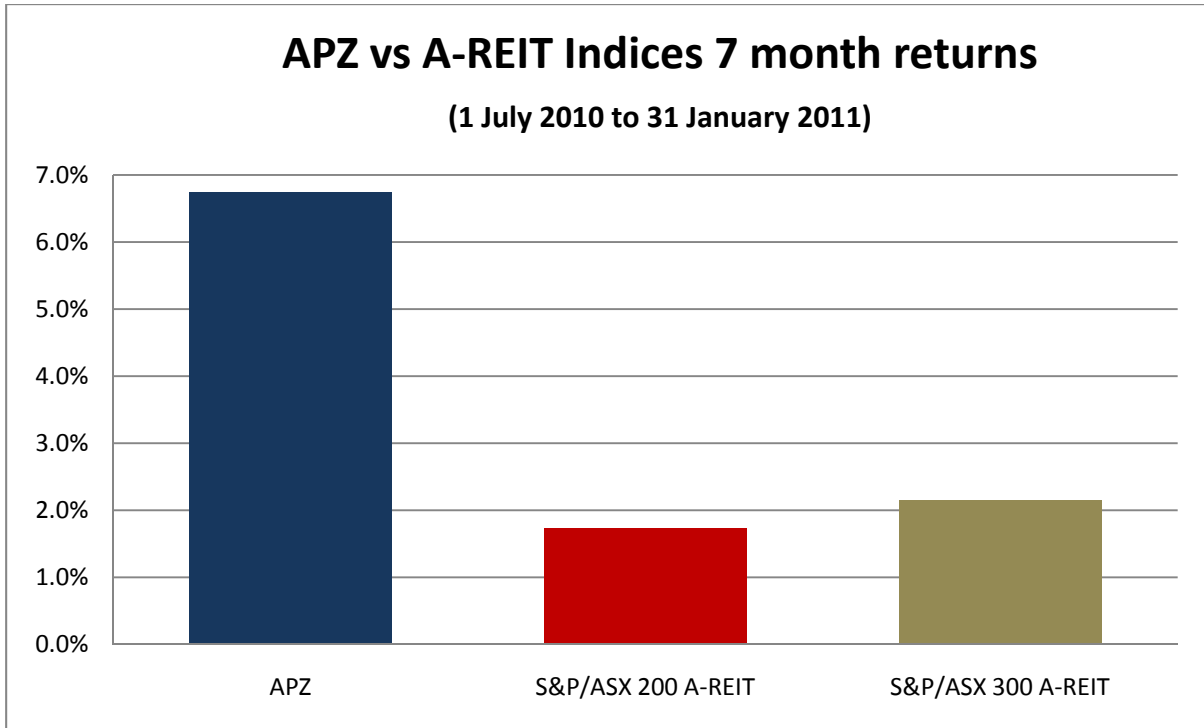
The Requisitioners in their statement assert that Aspen has “lost its way” since the departure of Mr Del Borrello, just 7 months ago. The fact of the matter is that in a relatively short period of time, the Company has made significant progress in executing the Group’s strategy. This strategy was communicated to securityholders at the 2010 Annual General Meeting and is summarised under assertion 7.

Achievements delivered by the new leadership team under the Group’s revised strategy in the past 7 months (since Mr Del Borrello’s departure) include:

- Acquisition of the A-grade 37,000 sqm Australian Taxation Office Building in Adelaide
- Sale of 564 St Kilda Road, Melbourne to part facilitate the equity requirement of the above transaction
- The successful syndication in January 2011 of Aspen’s first pure retail residential property development (“The Enclave”)
- Retail inflows YTD to the Aspen Parks Property Fund up 13% on the corresponding period
- Residential lot sales (Aspen Living) up 500% from \$9.7m to \$46.5m on the corresponding period
- Securing of a new three year senior finance facility with National Australia Bank
- 12 month extension on the ADF No1 finance facility with reduced funding costs
- Introduction of three new financiers to the Group and its Funds
- Introduction of a more cohesive senior executive reporting structure
- Introduction of a new Employee Remuneration & Performance Framework

Following on from the above achievements, the Group is forecasting to deliver a strong increase in FY11 pre-tax operating earnings.

As fellow shareholders we acknowledge it is disappointing that the Group’s security price, consistent with much of the REIT sector, is trading at a significant discount to its net tangible asset value. However we note that the Group’s security price still managed to outperform both the ASX200 REIT and ASX300 REIT indices in the past seven months as evidenced by Graph 1:



Graph 1

2. Assertion: Insufficient property and funds management expertise on the Board

Affected Director’s Response

It is important to note that the four affected directors bring to the Board substantial experience across key areas such as property, finance, accounting, economics, law, governance, and business acumen in general, all key requirements to ensure a high level of stewardship exists to support the Company's operations. Furthermore, your current Managing Director was a co-founding director of Aspen Group and has been integral in the development of Aspen's property and funds management business.

Notwithstanding the above, and as outlined in the Chairman's address at last year's AGM, the existing Board of Aspen Group have recognised the need to continue to enhance the existing Board structure. To this end, we formally engaged a consultancy firm to assist in the appointment of a non-executive director, ideally with extensive expertise and networks in the property and funds management sectors in the eastern states markets.

This process resulted in the appointment of Mr Frank Zipfingher as a director of your Company. Mr Zipfingher is a very highly regarded property lawyer based in Sydney, who was previously Chairman of Partners at Mallesons Stephen Jaques (Sydney). Mr Zipfingher has an extensive background in the property sector, having been the key client relationship partner for institutions such as AMP, Westfield and GE Real Estate, all major players in the Australian property market.

We believe that the election of Mr Del Borrello, Mr Franklyn and Mr Colless as proposed by Entrust will not provide a better outcome for securityholders, and that the loss of corporate knowledge and expertise following any removal of the Affected Directors will in fact, be damaging to the Group.

We do not see any rationale in the proposed reinstatement of Mr Del Borrello who had a sufficient opportunity under his previous leadership to achieve increased shareholder value.

Mr Franklyn has provided little evidence in his statement that he has the necessary property funds management experience to add any significant value to Aspen Group. Furthermore, the lack of fund growth, decline in value and ultimate de-listing from the ASX of the Esplanade Property Fund (of which he was Managing Director) adds little comfort to his track record.

Entrust itself is a Perth based wealth management business with a limited track record in the Listed Property sector. Indeed it would appear that its listed property experience is limited to managing the Esplanade Property Fund. This Fund, run by Mr Franklyn, has remained small and relatively stagnant over several years.

3. Assertion: Limited ability to source deal flow and capital to fund growth initiatives

Affected Director's Response

In terms of deal flow, Aspen Group has an experienced and highly competent property and funds management executive team, many of whom have been with Aspen for several years. It is this team that has been the source of ALL major deals and transactions over the past few years including:

- Aspen Karratha Village 5 year lease with Woodside
- Securing the Agreement For Lease with the Australian Taxation Office for a 15 year lease on 30,860sqm of A-grade office space
- Syndication of The Enclave residential land development
- Re-leasing of the 22,500sqm Nunawading industrial property in Melbourne
- Disposal of the underperforming Gardentown Shopping Centre
- Re-lease and subsequent disposal of 564 St Kilda Rd office building in Melbourne
- Recent acquisition of the Australian Taxation Office project for Aspen Group

Under the leadership of current Managing Director Mr Gavin Hawkins and with the full backing of the Board, we have instilled a more disciplined, focussed and team oriented approach to transaction execution and deal flow which has substantially addressed the dissatisfaction in the senior executive team which led to the departure of Mr De Borrello.

4. Assertion: Limited networks among high net worth and private groups

Affected Director's Response

Aspen Group has and will continue to develop a substantial private client network through both our direct in-house private client executives, and our established national Business Development Management team. In addition there are substantial networks within the senior executive team and Aspen Group Board. Importantly these channels, along with the participation of existing investors in entitlement issues, have been the source of all significant new equity into our funds management divisions over the last three years.

The above is evidenced by the recent success of The Enclave residential land syndication, which has introduced a significant number of new high net worth individuals as clients of Aspen Group. In addition the Aspen Parks Property Fund also continues to attract strong investment interest from high net worth individuals and is clearly one of the leading unlisted property funds in terms of investor inflows in the country.

Aspen is also taking a more strategic focus on developing strong relationships with the wholesale and institutional investment market, and utilising the broader networks of the team. This is a critical part of the investment market where Aspen Group has not previously been able to gain any traction under the direction of Mr Del Borrello, who was previously responsible for developing capital raising networks. Notably, for the first time, Aspen is making strong inroads into developing enduring relationships with wholesale and institutional investors who are looking to partner up with Aspen Group.

5. Assertion: An apparent weakening of Aspen Retail Funds

Affected Director's Response

Contrary to the suggestion that there is a weakening of Aspen's retail funds, the Group continues to make significant progress to its retail funds management business. As part of the structural changes made in July 2010, a restructured and more cohesive funds management team was put in place. In addition, continual progress has been made in expanding the Group's national retail distribution networks and enhancing both the Group's investor reporting and service levels. On any measure it is clear that the performance and key metrics of Aspen's Retail Funds has improved significantly over the corresponding period.

Some of the key achievements in our Retail funds management area include:

- Aspen's first pure retail syndication of a residential property development at The Enclave, attracting over 300 new retail investors and raising the minimum \$8 million in short time
- Forecast double digit growth in FY11 funds management fee income
- Residential lot sales within Aspen Living syndicates are **up 500%** on the corresponding period

- Retail inflows into the Aspen Parks Property Fund (APPF) are **up 13%** on the corresponding period
- Gearing in the APPF has **reduced from 54% to 47%** on the corresponding period
- Occupancy level within the Aspen Diversified Property Fund (ADPF) has **increased from 82% (Jan 10) to 94% (Jan 11)**
- ADPF's Weighted Average Lease Expiry has **increased from 2.6 years (Jan 10) to 4.6 years (Jan 11)**

6. Assertion: Potential Earnings Dilution from the sale of assets to meet capital requirements elsewhere in the Group

Affected Director's Response

One of Aspen's strategies is to enhance over time the Group's investment property portfolio.

The investment rationale of looking for opportunities to selectively sell lower grade assets to recycle into newer investment property assets, where the net earnings benefit is expected to be accretive, is sound and irrefutable.

This process is of course a difficult one, it involves significant focus, effort and skill to find and execute these opportunities. Such an example though is the recently announced acquisition by Aspen of the Australian Taxation Office project in Adelaide's CBD. This project delivers significant benefits to our security holders in long term reliable income over the next 14.5 years, increasing the Group's current weighted average lease expiry from a short 2.4 years to an expected 6.7 years on completion. Importantly with the attractive starting yield of close to 8% for a building of this quality, and debt cost reductions expected, the deal is projected to be earnings accretive to the Group going forward.

Other initiatives, such as the successful syndication of "The Enclave" off Aspen's balance sheet, again points to the renewed focus on execution to deliver higher returns to security holders.

7. Assertion: The existing Board lack a clear strategy

Affected Director's Response

After the departure of Mr Del Borrello and other changes to the executive team, a clear strategy was communicated to securityholders at the 2010 Annual General Meeting. This strategy, which has the full support of the senior executive team, includes:

Property Portfolio

- ▶ Ensure investment property portfolio continues to be a source of solid recurring income
- ▶ Increase quality of portfolio through recycling assets
- ▶ Work to increase the Portfolio WALE

Funds Management

- ▶ Maximise on the significant opportunities within existing funds
- ▶ Expand core fund management platforms of residential and tourist and accommodation parks
- ▶ Explore new fund platforms through acquisition or initialisation

Capital Management

- ▶ Extend debt facility maturities well ahead of term
- ▶ Sale or syndication of non-core on balance sheet development assets

As detailed in our responses elsewhere, significant recent achievements have been made in line with this strategy, highlighted by the recent extensions of our banking facilities and the acquisition of the Australian Taxation Office building project which will be a significant upgrade to the quality of our investment property portfolio.

8. Assertion: Requisitioners have a strategy to drive Aspen towards being a leading Australian real estate group

Affected Director's Response

It is difficult to understand or ascertain the merits of this assertion as no detail has been provided in the requisition notice to securityholders on a purported strategy to drive growth. Significantly Mr Del Borrello has not himself lodged a statement suggesting his proposed strategy to take the Company forward.

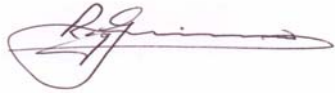
It is again worth noting that it would appear that both Entrust and Mr David Franklyn have had little success in driving a national property funds business based on the performance of the Esplanade Property Fund.

SUMMARY

The detail provided in this statement clearly demonstrates that the business is very much on the right path to generate securityholder value over the next 12 months and beyond. Far from Aspen having lost its way, the Group now has a clear corporate strategy, a well defined senior executive reporting structure, and a cohesive and disciplined management team. This team is demonstrating that it can achieve earnings growth and execute on key transactions. Indeed, as previously noted the Group has outperformed the ASX 200 REIT and ASX 300 REIT indices this financial year, and is now well placed to capitalise on the hard work to date.

The Requisitioners have made many claims which we strongly refute. This approach from a disgruntled former employee and hostile short term investor can be seen as nothing but an opportunistic attempt to gain control of your Company.

WE URGE YOU TO VOTE AGAINST ALL RESOLUTIONS



Reg Gillard



Terry Budge



Gavin Hawkins

BIOGRAPHIES OF AFFECTED DIRECTORS

Name and qualifications	Experience, special responsibilities and other directorships
<p>Reg Gillard BA, FCPA, FAICD, JP Independent Chairman</p>	<p>Mr Reg Gillard brings over 30 years experience in accounting and corporate finance to the Board. He has extensive experience and significant expertise in the evaluation and acquisition of businesses requiring development capital, initial public offerings, rights issues and placements, together with ongoing funding, corporate governance and compliance issues of listed public companies.</p> <p>Mr Gillard is Chairman of Aspen Group and holds several other non-executive directorships of ASX listed public companies. He has developed close working arrangements with a number of substantial Australian and international investment funds and has been responsible for, and involved with, the funding of several listed public companies.</p> <p>Mr Gillard is a Registered Company Auditor, Justice of the Peace, a Fellow of the Certified Practising Accountants of Australia, a Fellow of the Australian Institute of Company Directors and a Licensed Real Estate Agent.</p>
<p>Gavin Hawkins B.Bus, CA Managing Director</p>	<p>Mr Gavin Hawkins is a founding director of Aspen Group, and served as the Group's Finance Director until his appointment to the position of Managing Director in June 2010. Mr Hawkins is responsible for the implementation of the Group's strategy and overseeing all operational and administrative functions for the Group.</p> <p>As a Chartered Accountant, Mr Hawkins spent a number of years with Deloitte, developing expertise in audit, corporate governance, corporate advisory, and management consultancy. He further developed his skills and experience in the corporate finance and investment banking industry by spending several years in London working with major financial institutions including Sumitomo Finance and Barclays Capital.</p> <p>Mr Hawkins holds a Bachelor of Business and is an associate member of the Institute of Chartered Accountants.</p>
<p>Terry Budge B, Ecom, SF Fin, FAIM, FAICD Independent Non-Executive Director</p>	<p>Mr Terry Budge is a former career banker with over 38 years experience in the Australian banking industry and business. Mr Budge was Managing Director of BankWest from 1997 to 2004 following a 25 year career with the National Australia Bank where he held a number of senior executive roles.</p> <p>Mr Budge is currently Chancellor of Murdoch University, a director of Westoz Investment Company Ltd, is a member of AON Risk Services Australia Limited Board of Advice and is Chairman of the National Conference Committee for the Australian Institute of Company Directors(AICD)Mr Budge's former roles included Chairman of LandCorp, National Director and Western Australian State President of AICD, the State President Committee for Economic Development of Australia (CEDA), Chairman of Leadership WA and a member of the Federal Government's Financial Sector Advisory Council.</p> <p>Mr Budge holds an degree in Economics, is a graduate of the Advanced Management Program at Harvard Business School and is a Fellow of the AICD and Australian Institute of Management and a Senior Fellow if the Financial Services Institute of Australia.</p>

STATEMENT FROM INDEPENDENT NON-EXECUTIVE DIRECTOR FRANK ZIPFINGER

Friday, 18 February 2011

To whom it may concern

"I provide this statement for the benefit of Aspen (**APZ**) shareholders to assist them in deciding how to vote on Resolutions 1 to 3 inclusive seeking the removal of current Directors Reg Gillard, Terry Budge and Gavin Hawkins ("**Affected Directors**"). I make no comment in relation to Resolutions 4 to 6 as I have not met the relevant people proposed under those Resolutions. I make no comment on Resolution 7 (which seeks to remove me as a Director) as I will leave it to others to assess the merits of that Resolution.

I became a Director of relevant Aspen Group entities ("**Aspen**") on 31 January 2011.

So, I am not in a position to comment on events that preceded my appointment.

Since my appointment, I have attended all Board meetings (four in number) held and I have been involved in numerous discussions with the other Directors and senior executives of Aspen, particularly in connection with the transactions ("**Transactions**") announced to the ASX on 16/2/11 titled "*Aspen Group secures Australian Taxation Office Building*" and "*Aspen Extends Debt Facilities*". These Transactions are complex and important to the future of Aspen - and in part have needed to address significant legacy issues affecting Aspen.

Based on my experience to date, in my opinion:

1. the Affected Directors have a clear strategy for Aspen Group which is summarised in the Chairman's letter dated 18/2/11 ("**Strategy**"). Elements of that Strategy include securing extended debt facilities and the active recycling and sale of non-core assets to improve the property portfolio quality so that it continues to be a source of solid recurring income. That Strategy can be seen as driving the Transactions. The Strategy is clearly directed at improving shareholder value and removing the disparity between the market price of Aspen shares and their net asset backing;
2. the Affected Directors and the senior executives of Aspen are hard working, professional and diligent in their approach and focused on progressing the Strategy; and
3. the Affected Directors and the senior executives of Aspen are experienced and capable people with a breadth of skills needed to implement the Strategy. They also have a culture of engaging quality external advisers to provide support where it is necessary or prudent to do so

The Explanatory Statement dated 9/2/11 issued by the Requisitioners refers to their objective of "implementing a clear strategy that we believe will deliver substantially superior returns to all Aspen securityholders". That strategy is not elaborated on in the Statement nor in any material issued to date by the Requisitioners that I have seen. So, I cannot assess its merits nor compare it to the Strategy of the Affected Directors.

I agree that, as is the case with all Boards of evolving companies, change will be needed at Board level as the Strategy is implemented over time. But in my opinion it is not in the best interests of Aspen nor its shareholders for the changes proposed by Resolutions 1 to 3 to be made at this time."

Frank Zipfinger

BIOGRAPHY - FRANK ZIPFINGER

Name and qualifications	Experience, special responsibilities and other directorships
Frank Zipfinger Independent Non-Executive Director	<p>Mr Frank Zipfinger has over 25 years experience in the property industry.</p> <p>He was formerly a Partner in the Property, Construction & Environment practice of the Sydney office of Mallesons Stephen Jaques where he specialised in property investment and development. Frank was also the Chairman of Mallesons Stephen Jaques from 1 February 2005 until 30 June 2010. Prior to this appointment, Frank completed over five years in various roles as a Managing Partner with the firm.</p> <p>Frank is a Member of the Australian Institute of Company Directors. He is also a member of the Executive Committee of the St Joseph's College Indigenous Fund, a member of the board of the Melbourne Business School and President of the School's Alumni Council, a director of the Australian Youth Orchestra and a director of the Australian Boards of the international not-for-profit organisations Room to Read and Grameen Australia.</p> <p>Frank is a Director of Galileo Japan Trust and was appointed Non-Executive Director of Aspen Group Limited on 31 January 2011.</p>

Statement from Requisitioning Securityholders Pursuant to Section 249P of the Corporations Act

Dear Aspen Securityholder,

I represent Entrust Funds Management (“Entrust”) and its associated investors who collectively are a substantial securityholder in Aspen Group (“Aspen”).

Over the last 8 years Entrust has been a strong supporter of Aspen, including being one of the biggest investors in Aspen’s unlisted managed funds.

However, Entrust believes that Aspen has lost its way.

We have therefore requisitioned an Extraordinary General Meeting (“EGM”) with the objective of revitalising the Board and implementing a clear strategy that we believe will deliver substantially superior returns to all Aspen securityholders.

Aspen is currently trading at a significant discount to its intrinsic value which in Entrust’s view reflects a real concern from many investors that Aspen lacks direction. Entrust believes there is a low probability that Aspen’s share price will increase materially without change.

In Entrust’s view, which we believe is shared by many Aspen investors, the lack of direction emanates from a Board and Managing Director with limited “hands on” real estate and funds management experience.

The EGM seeks to provide securityholders with the opportunity to revitalise and enhance the Board and address what Entrust sees as Aspen’s primary deficiencies, namely:

- Insufficient property and funds management expertise on the Board
- Limited ability to source deal flow and capital to fund growth initiatives
- Limited networks among the high net worth individuals and private groups that have traditionally supported Aspen
- An apparent weakening of Aspen’s retail funds
- Potential earnings dilution resulting from the sale of assets to meet capital requirements elsewhere in the group

We have proposed a new Board of experienced property and funds management professionals capable of developing and executing a strategy to drive Aspen towards being a leading Australian real estate group.

The EGM requisition contains resolutions for the removal of Aspen Chairman Reg Gillard, Managing Director Gavin Hawkins and Non-Executive Director Terry Budge.

We do not seek the removal of Seng Fai Chan, who we believe will play an important role in growing the business through his extensive contacts throughout the Asia-Pacific region.

The requisition also contains a resolution seeking to remove any Aspen director appointed after 27 January 2011. We intend to meet with Mr Frank Zipfinger, who's appointment was announced post lodgement of the requisition, and monitor any other Aspen director appointments before determining how to vote on this resolution.

Relative Undervaluation is Clear

Entrust believes that the underperformance of Aspen and lack of a clear growth strategy is evident in its current trading price, which undervalues Aspen relative to similar companies in the Australian market.

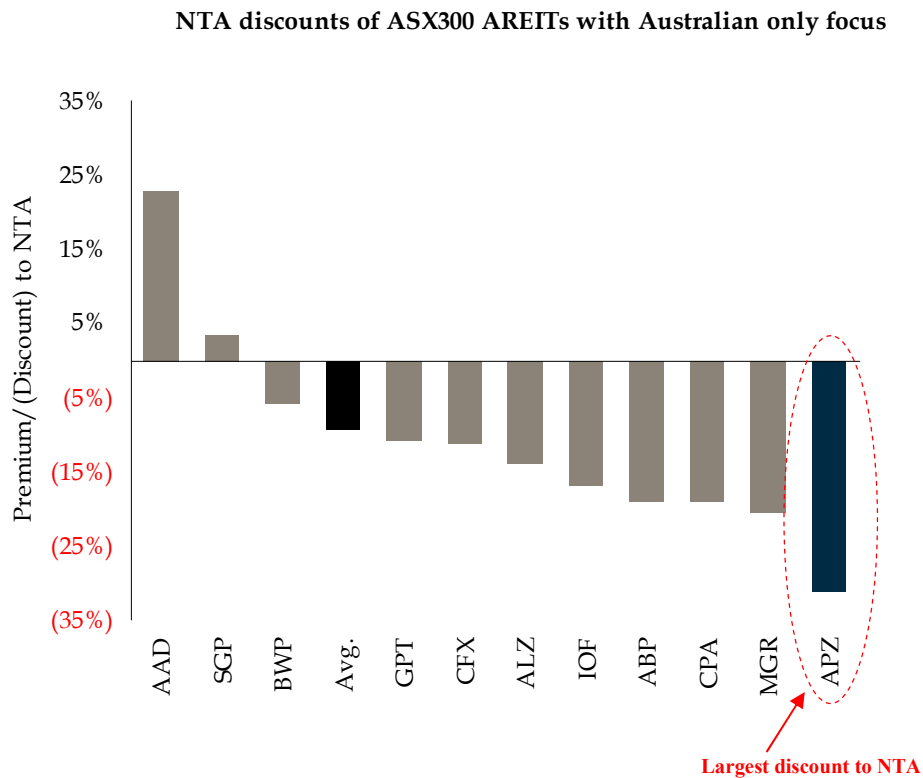
In particular:

- Aspen trades at a 31% discount to net asset backing¹ – the deepest discount of any S&P/ASX 300 REIT that only invests in Australia
- Aspen's net asset backing does not ascribe any value to the funds management business which generated 22% of the group's EBIT in FY2010, further deepening the discounted trading price
- The forecast FY2011 earnings yield of 13.2% is 69% higher than the weighted average for S&P/ASX 300 REIT sector adjusted to include only REITS that invest in Australia² – in Entrust's view, the high yield reflects unfavourable views about Aspen's risk and growth prospects

¹ Using Aspen's closing price of \$0.475 on 8 February 2011 and NTA of \$0.69

² Closing prices as at 8/2/2011, weighted by market capitalisation

The following graph highlights Aspen’s current NTA discount relative to the other S&P/ASX 300 REITs that invest only in Australia³:



Experience of the new Board

The proposed new Board would comprise the following individuals:

Independent Non-Executive Chairman : Richard Colless AM

Mr Colless has 30 years experience in building, managing and chairing wealth and funds management businesses. Most recently, he was the independent Chairman of ING Real Estate Funds Management Limited. Mr Colless provides the group with a very experienced chairman and strong relationships throughout the Australian and Asian funds management and property industries.

³ Source: IRESS, Capital IQ, Company reports. “Avg.” = weighted average by market capitalisation

Non-Executive Director

: David Franklyn

Mr Franklyn has been involved in the financial services industry for over 20 years. He has extensive experience in the financial analysis of listed and unlisted companies, funds and trusts, the evaluation of direct property opportunities, corporate finance and the management of financial services businesses. Mr Franklyn is the managing director of Entrust.

Non- Executive Director

: Seng Fai Chan

Mr Chan is an existing Non-Executive Director of Aspen. Mr Chan is a qualified barrister and solicitor with over 20 years experience as a legal practitioner. He specialises in the fields of commercial law, taxation, leasing, and company structures, and acts for a number of major high net worth offshore clients with particular interests in the Asian region.

Executive Director

: Angelo Del Borrello

Mr Del Borrello is a founder and former Managing Director of Aspen, and has over 20 years experience in the real estate, funds management and financial industries. Prior to establishing Aspen, Mr Del Borrello was actively involved in various facets of property syndication and development, and also spent over 9 years in Financial Planning and as a stockbroker for Prudential Bache Securities and BNP Equities Australia.

Recommendation

Entrust has not taken this action lightly. Our objective is not to be opportunistic or to seek control of Aspen. Rather, it is to “right the ship” with the clear objective of providing all Aspen securityholders with superior returns.

The EGM provides all investors with the opportunity to elect a Board and Managing Director experienced in building real estate and wealth management businesses who together share a vision and commitment to grow Aspen into a leading Australian real estate group.

Entrust believes that it represents a consistent view amongst securityholders and encourages you to consider the merits of the proposal and **VOTE FOR ALL RESOLUTIONS.**

David Franklyn
Entrust Funds Management
0402 447 839

STATEMENT FROM INDEPENDENT NON-EXECUTIVE DIRECTOR, SENG FAI CHAN

I have been an independent non-executive Director of Aspen Group for nine years. Over that period, the Directors have had to deliberate on many decisions that were critical to planning the future path of the Company. This is one of those moments, when a critical decision must be made in respect of competing proposals by competing groups being the current Board and the proposed Board regarding the future of the Company.

It is accepted that I am the only independent non-executive Director on the current Board and that, in the event the Board of the Company is changed, I would continue as an independent non-executive Director of that Board.

It is my view that the essential question to be asked and answered in any deliberation regarding the future of the Company; is which proposal and Board is best able to deal with the challenges of the future, in restoring investor confidence and a continuing increase in share price, in growing the business as it should, and improving performance which will attract individuals to invest with the Company. Critically, I believe what is in the best interests of the Company as a whole and its shareholders is not who the individual Chairman or Directors of the Company are, other than that they are persons best able to grow the Company, strengthen it and deliver the best returns for all. I believe that Aspen needs a broad spectrum of investor support which is likely to be attracted by the new proposed changes of the proposed new Board and that they are likely to deliver.

Therefore, I recommend that Shareholders vote in **FAVOUR OF ALL RESOLUTIONS** as I firmly believe their proposal and management will deliver the Company:-

- A Board with a well considered strategy focused on creating security-holder value over the short, medium and long term;
- A Board at best able to attract funding support for the Company's investment strategy; and

- A Board with extensive real estate and funds management experience and the associated networks across the Asia-Pacific region; and
- A Board with the vision to grow Aspen into a leading Australian real estate group.

The recommendation to vote in **FAVOUR OF ALL RESOLUTIONS of the proposed new Board** is fundamentally based on my view, as an independent Director, that the proposed Directorship changes are in the best interest of all security-holders.

Seng Fai Chan
Non-Executive Director
Aspen Group Ltd