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ASX ANNOUNCEMENT

9 May 2011

SALE OF 55 CURRIE STREET OFFICE BUILDING

Aspen Group (**ASX:APZ**) is pleased to announce the exchange of contracts for the sale of its 55 Currie Street office building in Adelaide to an investment syndicate for \$81 million. The unconditional sale includes a \$2 million capital expenditure commitment resulting in net sale proceeds of \$79 million, which approximates the asset's current independent book value. Settlement is expected to occur on or around 20 May 2011.

Aspen Group Managing Director Mr Gavin Hawkins said the decision to dispose of 55 Currie Street was consistent with Aspen's strategy of improving the quality of its property portfolio as well as an appropriate reweighting of the Group's assets in Adelaide following the acquisition of the ATO Office Building.

"The sale forms part of our strategy to recycle certain investment property portfolio assets into higher grade properties with longer lease expiries that will underpin a stable, long term rental income stream for the Group."

"This recycling strategy will increase the weighted average lease expiry of the Group's investment property portfolio (on completion of the ATO Building) from 2.4 years to 6.7 years," said Mr Hawkins.

Under a separate agreement, Aspen Group will utilise up to \$15 million of the net sale proceeds to subscribe for an initial equity position in the syndicate. As it is not Aspen's intention to have an ongoing equity position, the agreement requires the syndicate manager to endeavour to sell down Aspen's equity, and incorporates the following terms:

- Appropriate financial compensation (payable by the syndicate manager to Aspen) if the syndicate manager is unsuccessful in selling down Aspen's equity position within a 24 month period
- Unit redemption rights where the investment syndicate has the financial capacity within its debt facilities

The investment syndicate (with 55 Currie Street as its sole asset) will partly fund the acquisition and associated transaction costs with bank borrowings of \$48 million, representing a pro-forma gearing of 57%. Aspen Group will earn the syndicate's return while it holds its equity position (a target return of 9% pa).

Aspen acquired 55 Currie Street in June 2006 for \$67 million and has since then successfully delivered income and capital growth through active asset management.

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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 is a member of the S&P/ASX 300 index with assets under management of approximately A\$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 security holders.

Website www.aspengroup.com.au