MEDIA RELEASE

1 APRIL 2004

ASPEN GROUP

Aspen launches innovative investment opportunity with Aspen Parks

Aspen Group (ASX: APZ) today announced the launch of Aspen Parks, an unlisted property based investment trust specifically targeting property assets in the tourist/caravan park market.

Aspen Parks will initially involve the acquisition of six properties from Fleetwood Corporation Limited, a successful tourist park developer and operator, and manufacturer of park accommodation including cabins and caravans.

The acquisition properties are valued at approximately $28 million, with funding split between a $17.5 million equity raising and the balance in debt.

The initial yield on the acquired properties will be 14 per cent, with a 10 per cent distribution paid monthly to investors. The ability to pay monthly distributions is underpinned by the regular positive cashflow, with more than 50% provided by permanent tenants, and a regular pattern of visitors.

Aspen Group Managing Director Angelo Del Borrello said the new trust was a response to burgeoning growth in the leisure property sector, especially outside of the traditional city hotel/resort sector.

"Australia has seen some dramatic shifts in demographics and behaviours in recent years, but close to top of the pile must sit the phenomenon of people spending their money travelling Australia, many of them retired," said Mr Del Borrello.

"Tourist parks have boomed in popularity and patronage, and we are now looking to give the Australian investing public a unique exposure to the sector."

As part of the agreement to acquire the properties, Aspen Parks has entered a Strategic Alliance Agreement with Fleetwood whereby it will have the first option to acquire future tourist parks that Fleetwood may develop or identify, while Aspen Parks will agree to purchase new cabins and caravans from Fleetwood at wholesale prices.

Tourist/caravan park management will continue to be undertaken by an in-house team which will be transferred from Fleetwood to Aspen Parks.

Mr Del Borrello said the strategic alliance with Fleetwood would benefit both parties in addition to investors in Aspen Parks by drawing together the collective expertise of both groups in property management and in particular, the tourist park industry.

"Fleetwood has a successful track record within the tourist park industry as demonstrated by the sound profitability of the six parks to be acquired by Aspen Parks and we believe the strategic alliance will ensure future success to the benefit of all investors," said Mr Del Borrello.

"Aspen Parks will offer a range of accommodation types including cabins and chalets to suit the requirements of all travellers. Great demand also exists from individuals and groups such as mining companies for permanent, cabin style accommodation."

"We are particularly excited by potential opportunities in coming years created by an estimated $15 billion in planned resource projects which will greatly benefit the north west of WA where three of our initial properties are located."

Statistics show that the tourist park industry within Australia is experiencing substantial growth, generated predominately by the increasing popularity of domestic travel by the over 50 age group.

These travellers are seeking a variety of quality and affordable accommodation typically provided by tourist parks. International travel fears are also adding to the growth in domestic tourism.

In addition to paying an attractive income distribution, Aspen Parks aims to grow the value of the investment by ensuring land utilisation is fully maximized for each park. This includes ensuring the best mix of cabins and chalets with caravan and camping sites to maximise park revenues. The ability to use offsite construction methods for cabins and chalets enables a park to be expanded or upgraded with minimal disruption to existing facilities and park occupants, and hence cashflow.

The creation of Aspen Parks is the first significant step in managing external assets for the benefit of security holders of Aspen Group. The assets of Aspen Parks will not form part of the Aspen Group balance sheet, however, will produce management fee income adding to the Group's return on investment. The acquisition is in line with Aspen Group's strategic direction, as discussed in the 2003 annual report, of creating non-dillutive income streams.

The offer document for Aspen Parks is expected to be ready in early April, with settlement of the initial properties expected by in July 2004.

Further information is provided in the attached summary of the offer. Prospective investors can reserve an offer document by calling 1800 220 840 or emailing homemail@aspengroup.com.au. All intending investors must complete the application form accompanying the offer document.

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