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PROPERTY ACQUISITION AND ENTITLEMENT ISSUE

Aspen Group (ASX: APZ) is pleased to announce that it has exchanged contracts to acquire 564 St Kilda Road in Melbourne for \$25.0 million. The acquisition will be funded in part by a fully underwritten, 1 for 6 non-renounceable entitlement issue to existing securityholders to raise \$14.5 million.

St Kilda Road Acquisition

Aspen has exchanged contracts to acquire 564 St Kilda Road, Melbourne for \$25.0 million. The property comprises a modern A Grade office building of 8,470sqm NLA well located in St Kilda Road with excellent views and car parking facilities. The property is 93% occupied, with Hewlett Packard being an anchor tenant occupying 76% of the total space. The purchase price of \$25.0 million represents an initial yield of 8.7%.

The acquisition brings Aspen's total property assets to \$155 million, with total assets under management for the group now in excess of \$185 million. Aspen's exposure to the office sector increases to 47% and the weighted average lease expiry of the property portfolio remains strong at 5.6 years with almost 60% of leases expiring beyond the 2008 financial year.

Aspen Group Managing Director Angelo Del Borrello said "St Kilda Road is an attractive asset for Aspen in terms of quality, yield and location. The acquisition fits in well with Aspen's strategy of continued expansion and diversification of its property portfolio, both by location and sector."

Entitlement Issue

Aspen is also pleased to announce that it will undertake a non-renounceable entitlement issue to existing securityholders to raise \$14.5 million.

Under the terms of the entitlement issue, Aspen will offer 1 new stapled security for every 6 stapled securities held by existing securityholders at an offer price of 20c per security. The offer price reflects a yield of 8.4% on the current forecast FY05 DPU of 1.67c per security.

The entitlement issue is fully underwritten by Patersons Securities Limited.

The funds raised from the entitlement issue will be applied towards the St Kilda Road acquisition, which further strengthens and positions the group's balance sheet for continued growth.

Mr Del Borrello said "We continue to be delighted with the support we have received from institutional investors and are also pleased to offer existing securityholders the opportunity to participate in the current capital raising".

"The capital raising will not only support the proposed acquisition but ensure that Aspen will continue to be in a strong position going forward to pursue its growth objectives".

Key Dates

The indicative timetable for the entitlement issue is as follows (this is subject to change):

Announcement of capital raising	25 November 2004
Lodgment of offer document	8 December 2004
Record date	16 December 2004
Offer period opens	20 December 2004
Offer period closes	14 January 2005
Expected allotment of new securities-	24 January 2005

Further information on the entitlement issue will be contained in the offer document, which Aspen expects to despatch to securityholders on or about 20 December 2004.

For further information please contact:

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