

ASPEN GROUP

Offer Document

Constituting a Product Disclosure Statement
and Prospectus

For the capital raising of \$14,517,657 via a non-renounceable fully underwritten Entitlement Issue of 74,588,285 New Stapled Securities to Eligible Stapled Securityholders at 20 cents per Stapled Security on the basis of one New Stapled Security for every six Stapled Securities currently held.

FULLY UNDERWRITTEN BY:

PATERSONS 
THE AUSTRALIAN STOCKBROKER

Issuers:

Aspen Funds
Management Limited
ABN 48 104 322 278
AFSL 227933

as the responsible entity of
Aspen Property Trust
ARSN 104 807 767

and

Aspen Group Limited
ABN 50 004 160 927

“creating wealth through intelligent property ownership”

Important Notices:

Offer Document

This Offer Document is a Product Disclosure Statement ("PDS") and a Prospectus, but for the sake of convenience is referred to as the Offer Document. It is dated 15 December 2004 and no Securities will be issued on the basis of this Offer Document later than three months after the date of this Offer Document. The Offer Document relates to Stapled Securities in Aspen Group ("Aspen"), each comprising one unit in Aspen Property Trust ("APT") and one share in Aspen Group Limited ("AGL"). Aspen Funds Management Limited ("AFM") as responsible entity of APT, and AGL are the issuers of the Offer Document.

A copy of the Offer Document has been lodged with the ASIC on 15 December 2004, which takes no responsibility for the contents of this Offer Document.

Neither ASIC nor ASX takes any responsibility in relation to the content of this Offer Document.

No person involved in producing this Offer Document (including AFM, AGL, its directors or advisers) or the Custodian guarantees the performance of the Stapled Securities, the repayment of capital or income return.

This document may be accessed at www.aspengroup.com.au. Aspen will provide a paper copy of the Offer Document free of charge upon request, by telephoning 08 9220 8400 or freecall 1800 220 840 or email homemail@aspengroup.com.au, during the Offer Period.

Aspen will apply to the ASX, within seven days of the date of this Offer Document for the quotation of the Stapled Securities on the ASX.

Offer restrictions

The distribution of this Offer Document in jurisdictions outside Australia and New Zealand may be restricted by law and therefore persons who come into possession of this document should seek advice on and observe any restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Offer Document does not constitute an offer of securities in any jurisdiction where, or to any person whom, it would be unlawful to issue this Offer Document.

Disclaimer

The information contained within this Offer Document is not investment advice.

Prior to deciding to invest, potential investors should read this document in its entirety and consider the risk factors that could affect the performance of Aspen. Prospective investors should note the Offer Document has not been prepared with the objectives, financial situation or particular needs of any particular person or class of persons in mind. As such, AFM and AGL recommend that prospective investors obtain independent advice from an appropriately qualified person(s) in relation to any proposed investment to be made pursuant under this Offer Document, and assess the risks and merits of investing in Aspen in light of their own circumstances.

Any reference to past performance of Aspen Group is no guarantee of future performance.

Up to date information

Information contained in this Offer Document (and any supplementary Offer Document) may change from time-to-time. If the change will be materially adverse, then in accordance with the Corporations Act, a supplementary Offer Document will be issued. However, if the change will not be materially adverse to the Offer, a supplementary Offer Document will not be issued. Updated information that is not materially adverse will be continually available from our website at www.aspengroup.com.au and upon request a paper copy of any updated information will be provided free of charge.

No representations other than this Offer Document

No person is authorised to give any information or to make any representation in connection with this Offer Document which is not contained in this document. Any information or representation that is not in this Offer Document may not be relied upon as having been made by the Aspen Group in connection with this Offer Document.

No cooling-off rights to apply to this Offer

Cooling-off rights do not apply to an investment pursuant to this Offer. This means that, in most circumstances, you cannot withdraw your Entitlements and Acceptance Form once it has been lodged.

Trading restrictions

A free paper copy of this Offer Document is available to Eligible Stapled Securityholders and the public during the Offer Period, by calling (08) 9220 8400. A 'read-only' electronic version of this Offer Document (without the Entitlement and Acceptance Form) may be viewed and downloaded from www.aspengroup.com.au. If you wish to apply for New Stapled Securities under the Entitlement Issue you must use the personalised Entitlement and Acceptance Form which you receive with the Offer Document.

Photos and diagrams

The assets depicted in photographs in this Offer Document are assets of the Aspen Group unless otherwise stated.

Key Features



Entitlement Issue

- One for six non-renounceable Entitlement Issue to Eligible Stapled Securityholders at 20 cents
- Proceeds to reduce debt following acquisition of St Kilda Road office building
- Provides further portfolio diversification
- Total property portfolio will increase to \$157 million
- Gearing level reduces from 58.2% to 50.1%
- This Entitlement Issue carries certain risks which are discussed in section 5

Aspen Group

- Portfolio of quality commercial properties around Australia
- Growth in portfolio value
- Distributions declared of 0.835 cents per Stapled Security for half year to 31/12/04
- Track record of distribution growth
- Income distributions paid quarterly
- Tax-advantaged income
- Increasing non-dilutive revenue from funds management activities



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KEY DATES

Event	Date
Record date for determining entitlements under Entitlement Issue	24 December 2004
Entitlement Issue opens	4 January 2005
Despatch of Offer Document to Eligible Stapled Securityholders	4 January 2005
Closing Date for acceptance of Entitlements	21 January 2005
New Stapled Securities quoted on a deferred settlement basis	24 January 2005
Expected allotment of New Stapled Securities and despatch of securityholder statements	1 February 2005
Expected commencement of normal trading for New Stapled Securities issued	2 February 2005

Dates are indicative only, and are subject to change.

The Issuers reserve their rights to extend the Offer or to withdraw the Offer Document without prior notice.

Letter to Investors

Dear Securityholder

On behalf of Aspen Funds Management Limited and Aspen Group Limited, it is my pleasure to invite you to participate further in the growth of Aspen Group ("Aspen" or "Group") by virtue of a non-renounceable Entitlement Issue of Stapled Securities on a one for six basis.

Aspen continues to grow and the Entitlement Issue, as outlined in this Offer Document, is a further step in the Group's evolution. The Issue will raise \$14.5 million and enable Aspen to reduce Group Debt which has recently increased through the acquisition of the commercial office building in St Kilda Road, Melbourne, Victoria for \$25 million.

The property comprises a 14-level office building with a total net lettable area of 8,470 square metres, and 173 car parking bays. International computer group Hewlett Packard is the head tenant, occupying approximately 76% of the building.

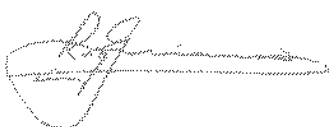
On completion of this acquisition, Aspen will have a diversified property portfolio of \$157 million. Coupled with a growing funds management division, my fellow directors and I believe Aspen continues to offer a number of outstanding benefits worthy of consideration by Eligible Stapled Securityholders:

- * Distributions declared of 0.835 cents per Stapled Security for half year to 31/12/04;
- * Distributions payable quarterly;
- * Potential for capital growth through further appreciation in value of the portfolio;
- * Diversification between property type (office, retail, industrial) and property locations (Western Australia, Queensland, Victoria);
- * Further earnings growth potential through funds management activities;
- * A skilled and committed executive team focused on increasing Securityholder value through intelligent property investments; and
- * The Offer Document has been fully underwritten by Patersons Securities Limited.

I urge you to read the Offer Document thoroughly and complete your Entitlement and Acceptance Form as soon as possible to ensure you do not miss out on your entitlement.

If you require assistance regarding the Entitlement Issue, please discuss with your financial adviser or ring Aspen on 08 9220 8400.

Yours faithfully



Reg Gillard
Chairman



Section I

Details of Entitlement Issue

This section provides the details of the Entitlement Issue to Eligible Stapled Securityholders in Aspen Group for 74,588,285 New Stapled Securities to raise \$14,517,657. Funds raised are to be attributed to reducing debt following the acquisition of a property at 564 St Kilda Road, Melbourne, Victoria.

1.1 The Offer

Eligible Stapled Securityholders in Aspen registered as at 5.00pm WST on 24 December 2004, are invited to participate in a non-renounceable Entitlement Issue of New Stapled Securities on the basis of one New Stapled Security for every six Stapled Securities held, at an issue price of 20 cents per Stapled Security.

There is no minimum subscription. Fractional amounts will be rounded up to the nearest whole number of Stapled Securities.

All acceptance monies are payable in full on return of the Entitlement and Acceptance Form enclosed with this Offer Document.

No brokerage or stamp duty is payable by Eligible Stapled Securityholders on the issue of New Stapled Securities under this Offer Document.

1.2 Opening and Closing Dates

The Offer Document opens for acceptances on 4 January 2005.

The Closing Date for acceptance of entitlements is 21 January 2005.

1.3 Purpose of the Entitlement Issue

The Offer seeks to raise \$14,517,657 to reduce debt following the acquisition of an office building at 564 St Kilda Road, Melbourne, Victoria. The purchase was initially completed from the drawdown of funds under Aspen's existing group debt facilities on 15 December 2004. The net proceeds of the Entitlement Issue will be used to reduce Aspen's gearing level from 58.2% to 50.1%. The acquisition of the St Kilda Road Property adds further to the Group's property portfolio which will total approximately \$157 million following completion.

The financial summary of the Entitlement Issue is as follows:

Source of Funds	\$000
Equity to be raised under this offer	\$14,518
Application of Funds	
Repayment of debt facilities	\$14,073
Underwriting fees	\$362
Other costs of issue	\$ 83
Total	\$14,518

1.4 Entitlement Issue

The number of New Stapled Securities to which you are entitled is based on your registered holding of Eligible Stapled Securities as at the Record Date and is shown on the enclosed Entitlement and Acceptance Form. Detailed instructions for completing the Entitlement and Acceptance Form are attached to this Offer Document.

The Entitlement Issue is non-renounceable, therefore no trading in entitlements will occur on the ASX.

Entitlements not taken up by the Closing Date will revert to the Underwriter.





1.5 Accepting the Offer

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Offer Document. Your acceptance must not exceed your entitlement as shown on that form, and may be for the full amount or part amount of the offer.

You may participate in the Offer as follows:

a) If you wish to accept your entitlement in full:

Complete the Entitlement and Acceptance Form by writing where indicated the number of New Stapled Securities you are entitled to, and the dollar amount as shown on the form, and attach your cheque for the amount.

b) If you wish to accept part of your entitlement:

Complete the Entitlement and Acceptance form by writing where indicated the number of New Stapled Securities you wish to accept and the corresponding dollar amount (being the number of New Stapled Securities multiplied by 20 cents), and attach your cheque for the amount.

c) If you do not wish to accept any or all of your entitlement you are not obliged to do anything.

If you wish to participate in the Entitlement Issue you must forward the completed Entitlement and Acceptance Form, together with your cheque drawn on an Australian bank or bank draft made payable in Australian currency to "Aspen Group – Proceeds Account" and crossed "not negotiable"

in the enclosed envelope to Computershare Investor Services, at the address shown in this Offer Document and on the Entitlement and Acceptance Form.

1.6 Underwriting of Entitlement Issue

The Entitlement Issue is fully underwritten by the Underwriter, Patersons Securities Limited. Aspen Group will pay a management and underwriting fee of 2.5% of the gross proceeds of the Entitlement Issue. Details of the Underwriting Agreement, including the events that may release the Underwriter from any obligations, are set out in Section 7.3.1 of this Offer Document.

1.7 Overseas Shareholders

The Offer has not been, and will not be registered under the securities laws of the United States of America, Canada, Japan or any other foreign country or jurisdiction.

Accordingly, the Entitlement Offer is not made to any Eligible Stapled Securityholder whose registered address is outside of Australia or New Zealand, and does not qualify for distribution or sale in any jurisdiction other than Australia or New Zealand. Accordingly, no Stapled Securities will be issued under this Offer to, or may be acquired directly or indirectly by or for the benefit of, any person whose registered address is outside Australia or New Zealand.

The only persons to whom the Entitlement Offer is being made in New Zealand are persons who held Stapled Securities at the time of the Offer.

No action has been taken to register or qualify the New Stapled Securities, or the Offer, or otherwise to permit a public offering of the New Stapled Securities in any jurisdiction outside Australia or New Zealand.

This Offer Document does not constitute an Offer in any place in which, or to any person to whom, it would not be lawful to make such an Offer.

1.8 Quotation and Issue of New Stapled Securities

No New Stapled Securities will be issued pursuant to this Offer Document until permission is granted by the ASX for quotation of the New Stapled Securities during the relevant time periods set out in the Corporations Act. Aspen will apply to the ASX within seven days after the date of this Offer Document for the New Stapled Securities to be granted quotation.

Application monies received will be held in trust in a bank account established solely for the purpose of depositing application monies, until the New Stapled Securities are issued and allotted. No interest will be paid to applicants on application monies received.

The fact that the ASX may grant official quotation of the New Stapled Securities is not to be taken in any way as an indication of the merits of Aspen or the New Stapled Securities now offered for subscription.

1.9 Allotment of New Stapled Securities

New Stapled Securities will be allotted as soon as practicable but no later than six business days after the Closing Date. No New Stapled Securities will be allotted or issued on the basis of this Offer Document later than 13 months after its date.

New Stapled Securities issued under the Entitlement Issue will rank equally with all existing Stapled Securities.

1.10 Taxation Implications

The Directors do not consider that it is appropriate to give applicants advice regarding the taxation consequences of participating in this Entitlement Issue, given it is not possible to provide a comprehensive summary of all the possible taxation consequences. Aspen, its adviser and officers do not accept any responsibility or liability for any taxation consequences to applicants that may arise from an issue of New Stapled Securities through this Entitlement Issue. Eligible Stapled Securityholders who intend to accept their entitlement, either in full or in part, should seek their own taxation advice relevant to their own circumstances, in connection with an issue of New Stapled Securities pursuant to this Offer Document.

1.11 Further Information

Securityholders requiring further information about the Entitlement Issue should contact Aspen on:

Telephone: 08 9220 8400

Facsimile: 08 9220 8401

Email : homemail@aspengroup.com.au

Where you require investment advice regarding whether to accept your entitlement, please contact your financial adviser.

1.12 Privacy Information

If you accept part or all of your entitlement of New Stapled Securities, Aspen and Computershare may update your personal information or collect additional personal information. This information is collected in accordance with the Privacy Act, and where required under the Corporations Act. Details of Aspen's Privacy policy are provided in section 7.12.



Section 2

Overview of Aspen Group

2.1 Aspen Group

Aspen is a property investment and management group listed on the Australian Stock Exchange. The Group is focused on acquiring attractive yielding, quality commercial property, and developing and managing property-related investment funds to provide Securityholders with regular income distributions and positive returns on capital.

Commencing with a property portfolio of \$40 million acquired in October and November 2002, Aspen has grown the portfolio with the purchase of an additional \$83 million of properties around Australia. In addition to portfolio growth, Aspen has also delivered on its commitment to maintain and grow distributions to securityholders.

Aspen is comprised of two key entities – Aspen Property Trust and Aspen Group Limited. The majority of Aspen's property assets are owned by Aspen Property Trust which enables the payment of tax effective income distributions. Aspen Group Limited provides the avenue for the Group to pursue funds management activities, such as the Aspen Parks Property Fund (an unlisted property fund managed by Aspen), generating additional revenue streams for the Group.

Aspen's structure has been developed with a view to providing the most tax efficient outcome for Securityholders.

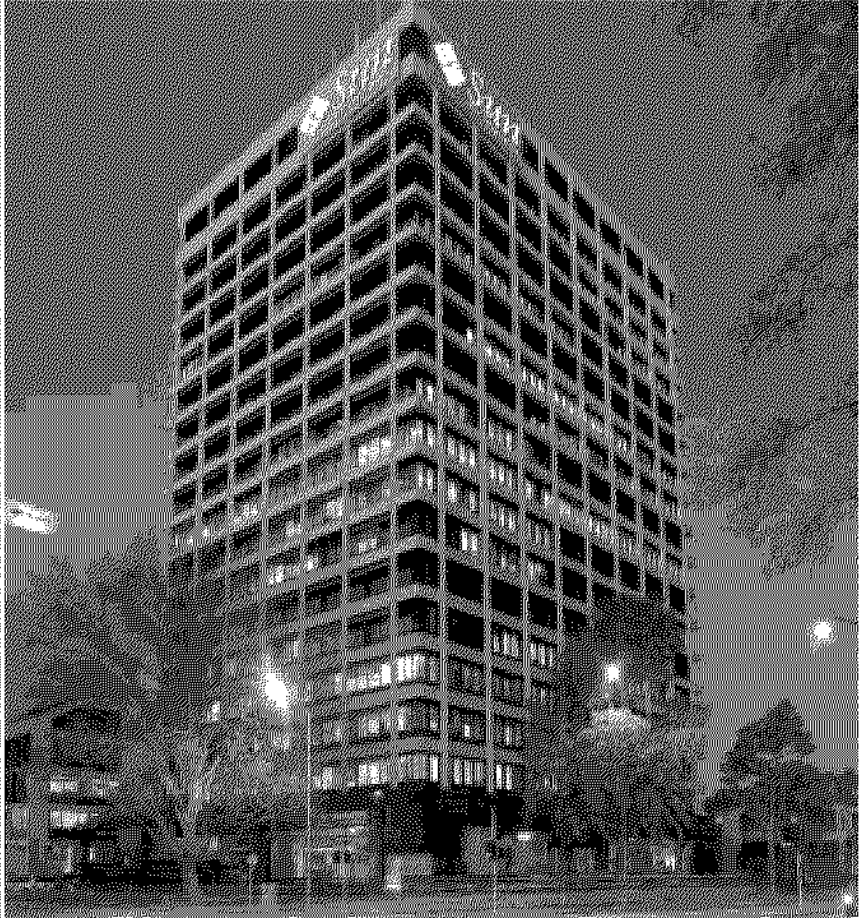
For the purposes of being quoted on the ASX, the shares of Aspen Group Limited and units of Aspen Property Trust are combined to form a Stapled Security, as set out in Section 7.

2.2 Aspen Funds Management Ltd

Aspen Funds Management Ltd ("AFM") is a wholly owned subsidiary of Aspen Group Limited, and has been established to allow Aspen to pursue funds management activities, such as the management of property-related investment funds. This enables Aspen to derive additional revenue from the management of these funds with little or no capital outlay or risk. AFM holds an AFSL allowing it to act as responsible entity for Aspen Property Trust and Aspen Parks Property Fund.

The first significant fund managed by AFM was the Aspen Parks Property Fund, launched in April 2004. This is an unlisted direct property fund, investing in tourist parks. The fund has proved very popular with investors given the attractive monthly income distribution and growth potential from the well located park properties. The fund now owns seven parks with total assets of approximately \$33 million and aims to increase this to \$150 million over the next five years.

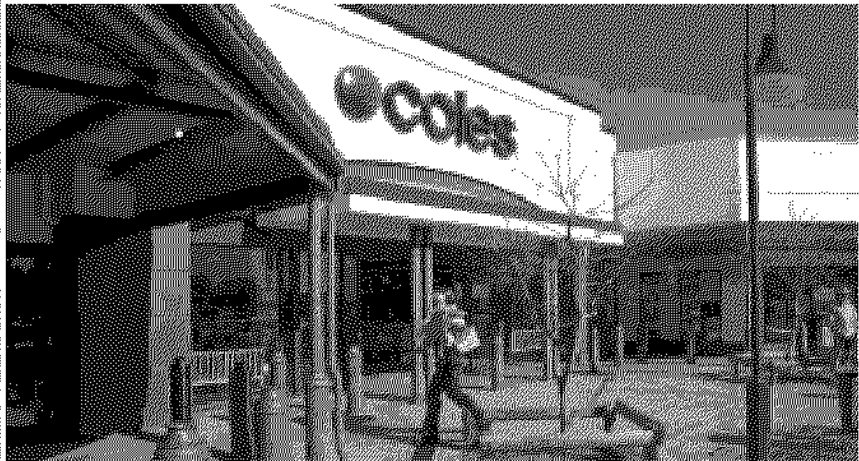
Septimus Roe Square



Elders Woolstores
(Far Right)

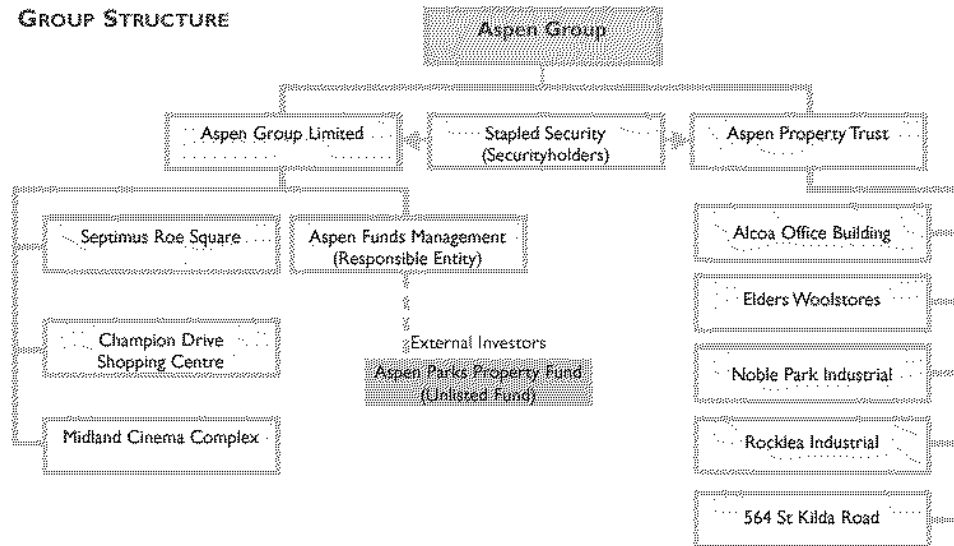


Cooee Beach
Holiday Park



Champion Drive
Shopping Centre

GROUP STRUCTURE



2.3 Directors and Management

Having presided over the success of Aspen over the past two years, the Board believes it is well placed and committed to lead Aspen as it develops and grows.

The growth of Aspen has seen the addition of a number of senior executives to the management team. This has introduced a wide range of skills to the Group in key areas such as property, finance, and funds management which have been instrumental in the development of Aspen.

The background and experience of each Director is listed below for your information.

Reg Gillard FCPA, FAICD, JP
Chairman - AGL and AFM
Age 58

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 corporate governance and compliance issues of listed public companies.

Reg has developed close working arrangements with a number of substantial Australian and international investment funds and has been involved with the funding of several listed public companies.

Reg 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. He is also Chairman of several listed public companies.

Angelo Del Borrello Dip Fin Advising
Managing Director - AGL and AFM
Age 38

Mr Angelo Del Borrello has over 18 years experience in the financial services and investment industry. He was instrumental in the creation of Aspen Group some three years ago and is now responsible for the acquisition, development and funding of commercial properties and overseeing the business operations in general. Angelo has utilised his financial market skills in the property syndication markets, with an active involvement in various facets of property development including land subdivisions, luxury apartment development and refurbishment.

Angelo is also a Director and co-founder of SageCorp Securities Pty Ltd, a private wealth management business which holds an AFSL and has 16 authorised representatives. Angelo holds a Diploma of Financial Advising with the Securities Institute of Australia

Gavin Hawkins BBus, CA
Executive Director - AGL
Age 39

Mr Gavin Hawkins is a founding director of Aspen, and has extensive experience in the public accounting and corporate sectors. As a Chartered Accountant, Gavin spent a number of years with Deloitte Touche Tohmatsu, 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.

Together with Mr Del Borrello, Gavin established SageCorp Securities Pty Ltd.

Mr Seng Fai Chan B Comm B Juris LLB
Non-Executive Director - AGL
Age 54

Mr Seng Fai Chan is a qualified barrister and solicitor in Australia with over 20 years 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. Seng Fai previously gained valuable expertise in taxation law while working at the Australian Taxation Office for several years.

His experience and knowledge of both corporate law and property law is of significant benefit to the Group.

Peter Hall
Non-Executive Director - AGL and AFM
Age 62

Mr Peter Hall is a Non-Executive Director of Aspen Group, and is also the Managing Director of Caversham Properties Pty Ltd, a wholly owned subsidiary of Futuris Corporation Limited, an ASX listed public company. As such Peter heads the property division of Futuris.

Peter has over 30 years experience in the property industry, with particular expertise in development, acquisition management and leasing strategies. He is currently involved in commercial office

constructions in Adelaide and a retirement village project in Perth.

Peter is a highly regarded property professional and provides valuable property sector skills and knowledge to the Aspen Group.

Stuart Price FRICS, FAPI
Executive Director - AFM
Age 54

Mr Stuart Price has been involved in property investment, valuation, management and development for over 30 years and has substantial experience across the commercial, retail and industrial sectors.

Stuart's experience in the fields of asset management, property investment, development and valuations have come from executive property positions in Barclays Bank PLC (London), Hong Kong Government, Sime Darby (Hong Kong) and Wyllie Group (Perth).

As Property Director at Wyllie Group, Mr Price had responsibility for, and involvement in, a diverse portfolio of significant real estate assets throughout Australia. These included St George's Square office tower (Perth), the Perth Convention and Exhibition Centre, Kings Gardens Office Park (South Melbourne), shopping centres and residential projects in Queensland, the \$60 million Cullen Bay Estate in Darwin and the Ernst and Young office tower at World Square (Sydney).

Stuart is a Fellow of the Royal Institution of Chartered Surveyors and a Fellow of the Australian Property Institute.

Section 3

Property Portfolio

3.1 Summary of Acquisition

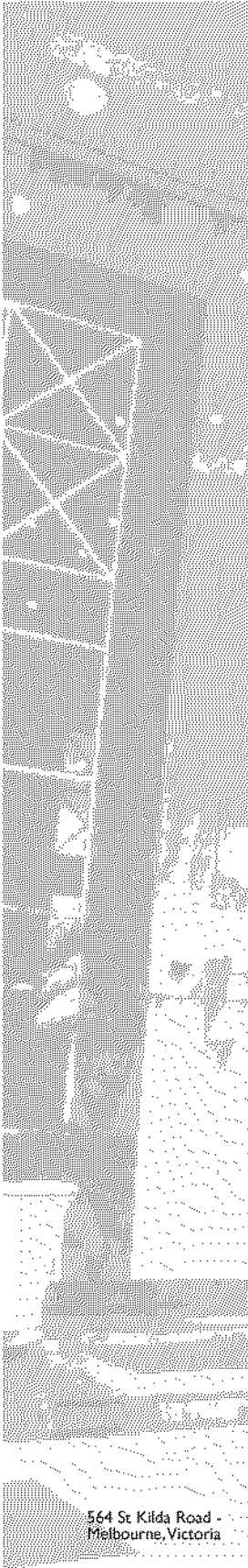
Aspen has exchanged contracts for the acquisition of a commercial office building located at 564 St Kilda Road, Melbourne, Victoria, for a purchase price of \$25 million. The St Kilda Road Property is a highly regarded building in St Kilda Road with a distinctive appearance and design.

This modern A grade building is centrally located on the western side of St Kilda Road, and has been architecturally designed to facilitate panoramic views toward Port Phillip Bay, Albert Park Lake and the CBD. Total net lettable area is 8,470 sqm, comprising eight office levels, six car parking levels above ground and two at the basement level. The total car parking capacity of 173 bays is a significant asset in an area where parking availability is generally limited.

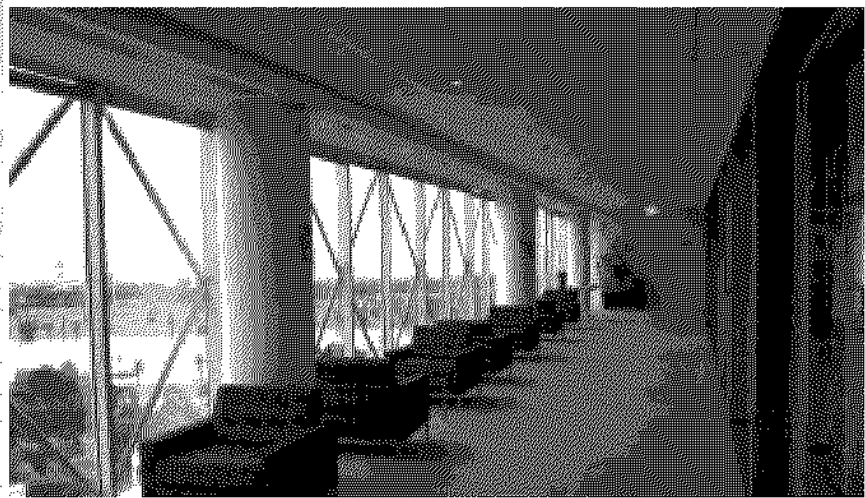
The building is presently 94% occupied with multinational computer group Hewlett Packard holding a lease over 76% of available space, and smaller organisations comprising the remaining tenancies. The weighted average lease expiry of the asset is 3.5 years.

The acquisition of this property adds to Aspen's expansion into Eastern Australia, resulting in further geographic diversification within the portfolio, and complements the recent industrial property acquisitions by maintaining sector diversification.

Site Area	2,329 sq. m
Building Area	8,470 sq.m
Tenant	Hewlett Packard (76%)
Lease Term	Average 3.5 years
Occupancy	94%
Valuation	\$25 million



564 St Kilda Road -
Melbourne, Victoria



3.2 Impact of Acquisition on the Property Portfolio

The total property portfolio following completion of the acquisition of 564 St Kilda Road.

Property	State	Primary Use	Purchase Price	Latest Independent Valuation	Book Value	Net income p.a.	Yield
Septimus Roe Square	WA	Office	\$28.3m	\$30.0m	\$30.2m	\$2.5m	8.3%
Midland Cinema Complex	WA	Retail	\$5.0m	\$6.2m	\$5.3m	\$0.6m	11.4%
Champion Drive Shopping Centre	WA	Retail	\$7.2m	\$7.5m	\$7.6m	\$0.7m	9.3%
Alcoa Office Complex	WA	Office	\$17.4m	\$18.3m	\$18.3m	\$1.6m	8.7%
Elders Woolstores	WA	Industrial	\$35.5m	\$37.5m	\$37.5m	\$3.5m	9.3%
Noble Park	Vic	Industrial	\$21.4m	\$21.4m	\$22.6m	\$2.3m	10.2%
Rocklea	Qld	Industrial	\$8.8m	\$8.8m	\$9.2m	\$0.9m	9.8%
564 St Kilda Road	Vic	Office	\$25.0m	\$25.0m	\$26.6m	\$2.2m	8.3%
Total			\$148.6m	\$154.7m	\$157.3m	\$14.3m	9.1%

Note: Where the book value is greater than the latest valuation, this is due to stamp duty and other acquisition costs capitalised and any capitalised items such as fixtures and fittings.

3.3 Tenant Profile Following Acquisition

The acquisition introduces another key tenant to Aspen's portfolio, providing further diversification and security to rental income. Subsequent to this acquisition, over 60% of income will be secured by blue chip tenants.

Tenant	Lease Expiry	% of Property Income
Elders/Futuris	2012	25%
Hewlett Packard/Compaq	2008	13%
Alcoa	2014	11%
Acme Fine Furniture	2012	6%
Midland Cinema	2009	4%
Coles Myer	2014	2%
Total		61%

3.4 Portfolio Diversification

The positive impact on sector and geographic diversification is demonstrated in the following charts. From a sector perspective, a more even spread between industrial and office is achieved. The exposure to property in Eastern Australia increases to 32% of the portfolio. Figures are based on latest independent valuations.

Portfolio Sector Diversification



Portfolio Geographic Diversification



3.5 Property Portfolio Summary

Septimus Roe Square, Perth, Western Australia



A modern 17 storey, 16,900 square metre office building with 126 car bays.

Located in the Perth CBD on the prominent corner of Adelaide Terrace and Victoria Avenue, the building is strategically placed to benefit both from the surrounding Law Courts that make up Perth's growing legal precinct while still attracting tenants from the resource and Government sectors.

Good building design and sound management principles have resulted in a high level of tenant retention and the securing of new leases to quality companies. The 38 tenants include companies such as Westpac, BankWest, Fujitsu, Mitchell Corp, Iluka Resources, Sun Micro Systems and Commonwealth Government.

Site Area	3,679 sq.m
Building Area	16,883 sq.m plus 126 car bays
Tenant	Multi-tenanted
Occupancy	86%
Lease Terms	Variable with 38 tenants
Independent Valuation	\$30.0 million

Alcoa Office Building, Booragoon, Western Australia



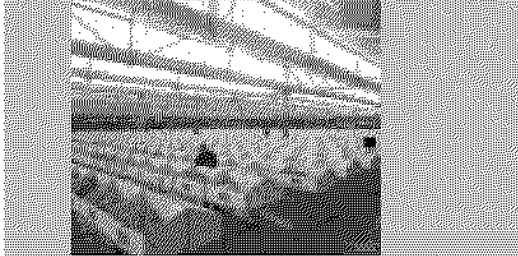
An attractive modern office building comprising 7,888 sq.m and 230 car bays, and fully occupied by Alcoa Australia as its head office in Australia. Alcoa is a major producer of alumina and aluminium in Australia and also has interests in power generation, rolled products and bauxite mining.

Located approximately 10 kms south of the Perth CBD, this five level building is designed with two wings separated by a spectacular landscaped atrium

rising the full height of the building. The property comprises a valuable 1.65 hectare corner site adjacent to the Garden City Shopping centre, a major regional and high performing centre owned by AMP. A smaller office building and local government office complex are located on adjacent sites.

Site Area	1.65 ha
Building Area	7888 sq.m plus 230 car bays
Tenant	Alcoa of Australia Limited
Rent Increases	Annual CPI with market reviews every 3 years
Occupancy	100%
Lease Term	12 years from July 2002
Independent Valuation	\$18.3 million

Elders Woolstores, Spearwood, Western Australia



A major industrial holding comprising 100,800 square metres of warehouses on a 29.37 hectare site and located 18 kilometres from the Perth CBD and within minutes of the Port of Fremantle.

Its proximity to Fremantle, major traffic arteries while also being close to new residential estates make this property a very strategic land holding for the Group,

both in terms of its present warehouse use and also its longer-term development potential.

The property is used for the storage of wool bales and is securely leased to Elders Limited, a subsidiary of Futuris Limited, under a triple net lease (all expenses, including repairs are paid by the tenant).

Site Area	29.37 ha
Building Area	100,800 sq.m
Tenant	Elders Limited
Rent Increases	Annual 4.25% increases
Occupancy	100%
Lease Term	15 years from July 1997
Independent Valuation	\$37.5 million

Champion Drive Shopping Centre, Armadale, Western Australia



A four-year old shopping centre comprising 3,928 square metres of lettable area and servicing a growing residential area approximately 25 kilometres from the Perth CBD.

A Coles supermarket is the anchor tenant, and is supported by 11 specialty shops, including a Liquorland and Post Office. There is sufficient land for future expansion and plans include growing the supermarket, adding a further specialty shop and two free-standing units.

Classified as a neighbourhood shopping centre, this property will benefit from the extension of Tonkin Highway, continuing residential land development and subsequent house construction within close proximity.

Site Area	2.041 ha
Building Area	3,928 sq.m plus 330 car bays
Tenants	Coles and 11 specialty shops
Occupancy	96%
Lease Terms	Coles lease 15 years from March 1999
Independent Valuation	\$7.5 million

Midland Cinema Complex, Midland, Western Australia



A seven screen, 1,449 seat cinema complex with a supporting six-tenancy international food hall and parking for 248 cars.

The property is located on Morrison Road at the junction of the Roe Highway a few minutes drive to Perth Airport and the Swan Valley. The property is also very close to intersections with the Great Eastern and Great Northern Highways.

The main tenant is Ace Cinemas, an independent cinema chain which controls an enviable monopoly position in this regional centre of Midland.

As with most of Aspen Group's property holdings, this asset has future redevelopment opportunities with strategic location advantages for the longer term.

Site Area	1.653 ha
Building Area	3,555 sq.m plus 248 car bays
Tenant	Main tenant is Ace Cinemas
Occupancy	97%
Lease Term	Ace 10 years from March 1999
Independent Valuation	\$6.2 million

215 Browns Road, Noble Park, Melbourne, Victoria



This particular acquisition provided an attractive opportunity to both receive a high yield and add to Aspen's long-term land bank opportunities. This sector has also shown consistently strong returns over the long term.

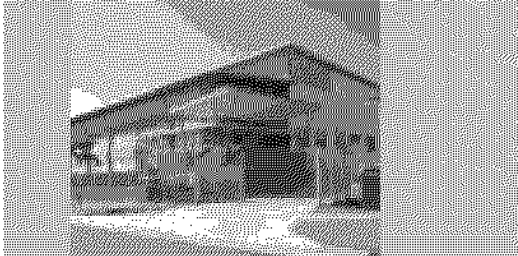
The property comprises a complex of office / warehouse buildings totalling 42,756 square metres with on site parking for more than 400 vehicles.

The site area is 5.814 hectares and is located within the well-established and well-regarded industrial precinct of Noble Park. It is in close proximity to the Monash Freeway (M1) and there is direct access from Browns Road to the Princes Highway. It is 27 kilometres south-east of the Melbourne CBD.

The property is fully occupied on six separate leases with the largest tenants being URI International, AEP Industries and Palazzo Distribution Services.

Site Area	5.814 ha
Building Area	42,756 sq.m plus 400 parking bays
Tenant	Six separate tenancies
Occupancy	100%
Lease terms	Two largest seven and five years (62% income)
Independent Valuation	\$21.4 million

51-63 Heaton Street, Rocklea, Brisbane, Queensland



Site Area	2.6755 ha
Building Area	14,555 sq.m. plus 150 car bays
Tenant	Acme Fine Furniture Pty Ltd
Occupancy	100%
Lease term	Expires 2012
Independent Valuation	\$8.8 million

The property is a two building industrial complex with a total building area of 14,555 square metres and 150 car bays on a site of 26,755 square metres.

Located in the established industrial precinct of Rocklea, it is approximately 11 kilometres from the Brisbane CBD and within 200 metres of Rocklea and Salisbury railway stations. The property enjoys easy access to Beaudesert Road and the Ipswich Motorway, which are Brisbane's main southbound arterial routes.

The property is fully leased to Acme Fine Furniture Pty Ltd on a triple net lease (tenant responsible for all outgoings including structural repairs) with a lease term that expires in 2012.

Acme is one of the success stories of the Australian furniture industry manufacturing a wide range of domestic and commercial products. Acme is the largest furniture producer in Australia and one of the top ten manufacturers in any industry in Queensland.

Section 4

Financial Effect of Entitlement Issue

4.1 Change to Capital Structure

The ultimate effect of the Entitlement Issue on the capital structure of Aspen is dependent on a number of variables including whether Optionholders elect to exercise options prior to the Record Date. Set out below, for illustrative purposes only, is the existing capital structure together with the impact of the Issue of New Stapled Securities.

Stapled Securities

Number of Stapled Securities on issue at the date of this Offer Document	435,529,705
New Stapled Securities offered pursuant to this Offer Document	74,588,285
Total Issued Capital	510,117,990

Options

Aspen had on issue the following options to purchase Stapled Securities as at the date of this Offer Document:

	Listed	Unlisted
Exercisable at \$0.25 on or before 10/10/2005	24,930,764	
Exercisable at \$0.25 on or before 2/12/2005	-	750,000
Exercisable at \$0.1875 on or before 8/2/2007	-	13,200,000
Exercisable at \$0.20 on or before 15/10/2007	-	2,000,000
Exercisable at \$0.25 on or before 15/10/2007	-	2,000,000
Exercisable at \$0.25 on or before 20/3/08	-	1,761,000
Total	24,930,764	19,711,000

4.2 Proforma Statement of Financial Position

The table below represents the statement of financial position of Aspen immediately following completion of the Entitlement Issue and acquisition of 564 St Kilda Road, Melbourne, based on the assumptions set out in Section 4.3.

Combined Statement of Financial Position

	Audited 30 June 2004 \$000	Proforma 30 June 2004 \$000
Current Assets		
Cash assets	1,301	1,301
Receivables	1,473	1,473
Other financial assets	1,292	1,716
Other	70	70
Total Current Assets	4,136	4,560
Non-Current Assets		
Other financial assets	127	127
Property, plant and equipment	145	145
Investment properties	98,802	157,219
Investments	-	3,000
Other	525	525
Total Non-Current Assets	99,599	161,016
Total Assets	103,735	165,576
Current Liabilities		
Payables	693	693
Current tax liabilities	135	135
Interest bearing liabilities	1,800	1,800
Provisions	1,002	1,002
Other	858	858
Total Current Liabilities	4,488	4,488
Non-Current Liabilities		
Interest bearing liabilities	63,350	82,316
Total Non-Current Liabilities	63,350	82,316
Total Liabilities	67,838	86,804
Net Assets	35,897	78,772
Equity		
Contributed equity	62,679	105,554
Retained losses	(26,782)	(26,782)
Total Equity	35,897	78,772

4.3 Notes to the Statement of Financial Position

Set out below are the significant accounting policies and assumptions adopted in the preparation of the preceding financial information for the purposes of this Offer Document. While the assumptions are based on the most current information to hand, future events that are outside the control of Aspen may alter this position. Should a change in financial position be considered a material change prior to the Closing Date of the Entitlement Issue, Aspen will notify securityholders of this change.

4.3.1 Assumptions

Subsequent to the completion of the audited statement of financial position as at 30 June 2004, the following material changes in the position have occurred.

Prior to this Offer Document:

- * Capital raising of \$30 million was completed on 5/10/04 less costs of issue of \$1.2 million
- * Increase in debt facilities by \$6.42 million plus finance costs of \$0.424 million
- * Purchase of property at Noble Park for \$21.4 million on 19/10/04 plus acquisition costs of \$1.225 million
- * Purchase of property at Rocklea for \$8.8 million on 5/10/04 plus acquisition costs of \$0.384 million
- * Investment in Aspen Parks Property Fund of \$3 million

Subsequent to this Offer Document:

- * Increase in debt facilities of \$12.12 million
- * Purchase of property at 564 St Kilda Road for \$25 million plus acquisition costs of \$1.2 million
- * Capital raising of \$14.52 million less estimated costs of issue of \$0.445 million

4.3.2 Summary of Accounting Policies

Financial Reporting Framework

This financial report is a general purpose financial report which has been prepared in accordance with the Corporations Act 2001, Accounting Standards and Urgent Issues Group Consensus Views (including UIG Abstracts 13 "The Presentation of the Financial Report of Entities whose Securities are 'Stapled'"), and complies with other requirements of the law.

This financial report has been prepared on the basis of historical cost and except where stated, does not take into account changing money values or current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets. Separate Annual Financial Reports are prepared for both Aspen Group Limited and Aspen Property Trust and are lodged with ASIC.

Aspen Group – Stapling of Securities

Aspen Group was formed by the stapling of securities of two entities comprising Aspen Group Limited and Aspen Property Trust.

The resulting Aspen Group Stapled Securities, quoted and traded together on the Australian Stock Exchange, comprise one Aspen Group Limited share and one Aspen Property Trust unit. The Stapled Securities cannot be traded or dealt with separately.

With the establishment of the Aspen Group and its common investors, the combined group has common directors and common business objectives, and operates as a combined entity in the core business of property investment and management.

The Aspen Group entities comprising the stapled group remain separate legal entities in accordance with the Corporations Act 2001 and are each required to comply with the reporting and disclosure requirements of Accounting Standards and the Corporations Act 2001.

The Stapled Security structure will cease to operate on the first to occur of:

- * Either of Aspen Group Limited or Aspen Property Trust resolving by special resolution in general meeting and in accordance with the constitution to terminate the stapling provisions; or
- * The commencement of the winding up of either Aspen Group Limited or Aspen Property Trust.

The ASX reserves the right (but without limiting its absolute discretion) to remove one or more entities with Stapled Securities from the official list if any of their securities cease to be 'stapled' together, or any equity securities of the same class are issued by one entity which are not stapled to equivalent securities in the other entity.

Notwithstanding the above, Aspen Group is considered to be the reporting entity. Accordingly the combined financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being Aspen Group and its controlled entities as defined in accounting standard AASB 1024 "Consolidated Accounts", and Aspen Property Trust. Consistent accounting policies are employed in the preparation and presentation of the combined financial statements.

The combined Statement of Financial Position includes the information and results of each controlled entity from the date on which the Group obtains control and until such time as the Group ceases to control such entity.

In preparing the combined financial statements, all inter Group balances and transactions, and unrealised profits within the economic entity are eliminated in full.

4.3.3 Significant Accounting Policies

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concept of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies have been adopted in the preparation and presentation of the financial reports:

(a) Accounts Payable

Trade payables and other accounts payable are recognised when the economic entity becomes obliged to make future payments resulting from the purchase of goods and services.

(b) Acquisition of Assets

Assets acquired are recorded at the cost of acquisition, being the purchase consideration determined as at the date of acquisition plus costs incidental to the acquisition.

In the event that settlement of all or part of the cash consideration given in the acquisition of an asset is deferred, the fair value of the purchase consideration is determined by discounting the amounts payable in the future to their present value as at the date of acquisition.

(c) Capital Gains Tax

No provision has been made for capital gains tax, which may arise in the event of sale of revalued assets as no decision has been made to sell any of these assets.

(d) Capitalisation of Borrowing Costs

Borrowing costs directly attributable to obtaining finance for the purchase of investment properties are capitalised and amortised over the life of the loan.

(e) Depreciation

Depreciation is provided on property, plant and equipment, including freehold buildings but excluding land and investment properties. Depreciation is calculated on a straight line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight line method. The following estimated useful lives are used in the calculation of depreciation:

- * Leasehold improvements 5 years
- * Plant and equipment 2 - 5 years
- * Office furniture and fittings 2 – 5 years

(f) Earnings Per Stapled Security

Basic earnings per stapled security

Basic earnings per stapled security is determined by dividing the profit from ordinary activities after income tax attributable to members of the Group by the weighted average number of ordinary stapled securities outstanding during the financial period.

Diluted earnings per stapled security

Diluted earnings per stapled security adjusts the figures used in the determination of basic earnings per stapled security by the weighted average number of stapled securities (both issued and potentially dilutive) outstanding during the financial period.

(g) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave, and sick leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of wages and salaries, annual leave, sick leave, and other employee benefits expected to be settled within 12 months, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of other employee benefits which are not expected to be settled within 12 months are measured as the present value of the estimated future cash outflows to be made by the combined entity in respect of services provided by employees up to reporting date.

(h) Leased Assets

Operating lease payments are recognised as an expense on a basis which reflects the pattern in which economic benefits from the leased asset are consumed.

(i) Financial Instruments Issued by the Group

Debt and Equity Instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Transaction Costs on the Issue of Equity Instruments

Transaction costs arising on the issue of equity instruments are recognised directly in equity as a reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

Interest and Dividends

Interest and dividends are classified as expenses or as distributions of profit consistent with the statement of financial position classification of the related debt or equity instruments.

(j) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

- i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing facilities which is recoverable from, payable to the taxation authority is classified as operating cash flows.

(k) Income Tax

Tax-effect accounting principles are adopted whereby income tax expense is calculated on pre-tax accounting profits after adjustment for permanent differences. The tax-effect of timing differences, which occur when items are included or allowed for income tax purposes in a period different to that for accounting, is shown at current taxation rates in provision for deferred income tax and future income tax benefit, as applicable.

(l) Interest-Bearing Liabilities

Debentures, bank loans and other loans are recorded at an amount equal to the net proceeds received. Interest expense is recognised on an accrual basis.

Ancillary costs incurred in connection with the arrangement of borrowings are deferred and amortised over the period of the borrowing.

Ancillary costs incurred in connection with the arrangement of borrowings made specifically for the acquisition of an investment property are capitalised and included in the cost of that investment property.

(m) Investments

Investments in controlled entities are recorded at cost. Other investments are recorded at cost.

Dividend revenue is recognised on a receivable basis. Interest revenue is recognised on an accrual basis.

(n) Receivables

Trade receivables and other receivables are recorded at amounts due less any provision for doubtful debts.

(o) Recoverable Amount of Non-Current Assets

Non-current assets are written down to recoverable amount where the carrying value of any non-current asset exceeds recoverable amount. In determining the recoverable amount of non-current assets, the expected net cash flows have not been discounted to their present value.

(p) Investment Properties

Land and Buildings are measured on the fair value basis. Fair value is determined on the basis of an independent valuation prepared by external valuation experts. Independent valuations of property investments are obtained at intervals of not more than three years. In the absence of an independent valuation as at reporting date the Directors assess fair value on the basis of open market valuations for the best use of the respective properties. Any differences between the original purchase price and the directors' valuation of properties arise through stamp duty, other acquisition costs capitalised since acquisition and any capitalised items such as fixtures and fittings.

Revaluation increments and decrements arising from recognising investment properties at their fair values are offset against one another within the class of investment properties. Net revaluation increments in the carrying amounts of investment properties are recognised directly in the asset revaluation reserve, except to the extent that the increment reverses a decrement that was previously recognised as an expense in net profit or loss in respect of the same class of assets, in which case the increment is recognised as revenue in net profit or loss.

Net revaluation decrements in the carrying amounts of investment properties are recognised as an expense in net profit or loss, except to the extent that the decrement reverses a previous revaluation increment in respect of the same class of assets credited directly to the asset revaluation reserve, in which case the decrement is debited directly to the reserve to the extent that a credit exists in respect of the same class of assets.

(q) Provisions

Provisions are recognised when the combined entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

Dividends

A provision is recognised for dividends when they have been declared, determined or publicly recommended by the directors.

(r) Revenue Recognition

Rental and other property income

Rental and other property income is recognised as income when receivable under the terms of the rental agreement.

Rendering of Services

Revenue from a contract to provide services is recognised by reference to the stage of completion of the contract.

Sale of Goods and Disposal of Assets

Revenue from the sale of goods and disposal of other assets is recognised when the combined entity has passed control of the goods or other assets to the buyer.

Dividends

Dividend revenue is recognised on an accruals basis in accordance with Aspen Group's dividend policy.

(s) Tax Consolidation Legislation

Aspen Group Limited and its wholly owned subsidiaries have elected to enter the tax consolidation legislation at 1 July 2003. The effect of the election is that all tax expenses, revenues, assets and liabilities of the members of the tax consolidation group are recognised in the financial statements of the head entity in the tax combined group, Aspen Group Limited.

(t) Borrowings

Incorporating the St Kilda Road Property Aspen will have a total debt facility limit with National Australia Bank of \$108.3 million, of which \$84.1 million will be utilised.

Funds raised from the Entitlement Issue will be used to reduce the Aspen Group's debt facility. A registered first mortgage will be held by National Australia Bank over the St Kilda Road Property.

Aspen has entered into interest rate swaps totalling \$56 million (67% of the Groups pro forma debt).

The maturity profile of these interest rate swaps is November 2009 for \$44.8 million at a rate of 6.48% (including margin), and November 2011 for \$11.2 million at a rate of 6.56% (including margin). Interest expense on borrowings not subject to interest rate swaps has been forecast at an average rate of 6.50%. It is intended that the debt used to finance the St Kilda Road Property will be at least 50% fixed for a period of 3 to 5 years.

4.3.4 Impact of Adopting AASB Equivalents to IFRS

The Australian Accounting Standards Board (AASB) has issued Australian equivalents to IFRS ("A-IFRS") for application to reporting periods beginning on or after 1 January 2005. The Aspen Group has commenced reviewing the transition from its current policies to A-IFRS. The Aspen Group has allocated internal resources and engaged expert consultants to review, identify and conduct business impact assessments to isolate key areas that will be affected by this transition. The Aspen Group audit committee is being regularly kept up to date with the results of both the internal review and the external consultant's reports and assessments. The adoption of A-IFRS will be first reflected in the Group's financial statements for the half-year ending 31 December 2005 and the year ending 30 June 2006. At this stage the Aspen Group has not been able to reliably quantify the impacts on the financial statements.

Under A-IFRS the combined entity, in complying with A-IFRS for the first time, is required to restate its comparative financial statements to amounts reflecting the application of Australian equivalents to IFRS to that comparative period. Most adjustments required on transition to Australian equivalents to IFRS will be made, retrospectively, against opening retained earnings as at 1 July 2004.

Key areas where accounting policies are likely to change and may impact on the financial statements of the Aspen Group include the following.

Income Tax

In accordance with Australian Standard AASB 112 Income Taxes, deferred tax balances are determined using the balance sheet method which calculates temporary differences based on the carrying amounts of the combined entity's assets and liabilities in the statement of financial position and their associated tax bases. This represents a fundamental change to the way the combined entity currently calculates its tax balances, where deferred tax balances are determined using the income statement method. The impact of this change is not yet possible to determine.

Share Based Payments

Under Australian Standard AASB 2 Share-based Payment, the combined entity will be required to determine the fair value of options issued to employees. For options on issue on the application of AASB 2 an adjustment for their recognition will be made against opening retained earnings. Reliable estimation of the future financial effects of this change in accounting policy is impracticable as the details of future equity based remuneration plans are unknown; however where share based payments are made, net profit is expected to decrease by the fair value of such payments.

Investment properties

AASB 140 Investment Property requires entities to measure investment property using:

- the fair value model, under which an investment property is measured, after initial measurement, at fair value with changes in fair value recognised in profit or loss; or
- the cost model specified in AASB 116 Property, Plant and Equipment under which an investment property is measured after initial measurement at depreciated cost (less any accumulated impairment losses). An entity that chooses the cost model discloses the fair value of its investment property.

The standard also permits a property interest that is held by a lessee under an operating lease to be classified and accounted for as investment property provided that:

- the interest meets the rest of the definition of investment property;
- the operating lease is accounted for as if it were a finance lease in accordance with AASB 117 Leases;
- the lessee uses the fair value model set out in this Standard for the asset recognised; and
- once this alternative is selected for one such property, all property classified as investment property is to be accounted for consistently on a fair value basis;

AASB 140 Investment Property permits an entity with investment property in a 'pool' backing liabilities that pay a return linked to the fair value of assets in the pool to choose between the cost and fair value models for

all investment property in the pool and choose between the cost and fair value models for all other investment property not in the pool; and requires an entity to make a range of disclosures, including whether it applies the fair value or cost model.

Business combinations

The IASB and AASB are both proposing to amend the scope of the business combinations standards to include business combinations between mutual entities and combinations by contract alone, i.e. stapling arrangements and dual-listed entities.

ED 133 Request for Comment on IASB ED of Proposed Amendments to IFRS 3 Business Combinations – Combinations by Contract Alone or Involving Mutual Entities proposes to include these combinations within the scope of AASB 3 Business Combinations with effect from 1 January 2005, i.e. in Aspen's first A-IFRS compliant report. Any revisions to AASB 3 are not expected before late 2004.

There are proposed transitional provisions under ED 133 which may be relevant to Aspen Group due to the stapling business combination which occurred in July 2003. The full impact of ED 133 and AASB 3 will not be known until the Aspen Group has assessed the risk and benefits of the final drafts of these standards.

The above should not be regarded as a complete list of changes in accounting policies that will result from the transition to AASB equivalents to IFRS. As noted above these are expected to be the material areas of impact for the combined entity that have been identified.

Section 5

Investment Considerations and Risks

Business activities undertaken by Aspen are subject to a number of risks and other factors which may impact its future performance. Some of these risks can be mitigated by the use of safeguards and appropriate controls; however, many are outside the control of Aspen. There are also general risks associated with any investment in listed securities. Hence, investors should be aware that the performance of Aspen may be affected and the value of its Stapled Securities may rise or fall over any given period.

Some of the factors that investors should consider before they make a decision whether or not to take up New Stapled Securities in Aspen include, but are not limited to, the factors noted below.

5.1 Risks specific to the transactions described in the Offer Document

No Minimum Subscription

As there is no minimum subscription set, should the Underwriting Agreement be terminated and the full amount to be raised under this Entitlement Issue not be achieved, then all the acceptances received must be returned to Eligible Stapled Securityholders. This would result in the gearing level of Aspen remaining higher than forecast in the Offer Document.

Expiry of Lease to Hewlett Packard

As Hewlett Packard are the major tenant of the St Kilda Road Property, should they choose not to renew their lease when it expires in 2008, the property may face a substantial increase in vacancy, and potential loss of income. It would be expected that the decision by Hewlett Packard would be known before the expiry date of the lease and therefore enable Aspen to find a replacement tenant.

Supply and Demand for office space in the surrounding area of the St Kilda Road Property

Despite general property market conditions in Australia, the demand for office space in the area surrounding the St Kilda Road Property is likely to determine the demand for vacant space and the level of rent that can be achieved for that space. Where the demand is less than supply, this may lead to lower rents or increased time periods to find tenants.

5.2 Risks specific to Aspen

Tenant defaults

- * Rental income can be adversely affected by tenants not making rental payments in a timely fashion or defaulting under their leases. While Aspen makes best endeavours to satisfy itself as to the financial strength of tenants at the time of commencing a lease, the financial situation of tenants is subject to change at any time.

Vacancy levels

- * Vacant space exists in certain properties from time to time.
- * Where vacancies occur due to tenants not renewing their lease, or defaulting on their lease, it will be necessary to re-let such vacant areas. This may well result in a time lag between the change over to a new tenant or tenants, and therefore create a period during which no rent is received. The period of time taken to re-let vacant space will depend on a variety of factors at that time, including but not limited to, competing property supply and rental values, general economic circumstances, and overall demand requirements from potential tenants.
- * Commissions payable to agents who introduce tenants and incentives may be required to be paid to attract tenants. These costs may vary, depending upon the level of letting activity required for a property. Such costs are charged against rental income.
- * Vacancy levels can have a direct impact on the value of each of the properties at any point in time, most notably at the point that any one of the properties might be sold. Should vacancy levels have increased from current levels to the point of any such sale, the value of any of the properties being sold is likely to be adversely affected.

Physical works

- * In the event that any of the properties require structural repairs or major works which are not of a capital nature, additional charges may have to be made against the rental income from the respective properties. While allowances are made for repairs it is impossible to predict the exact repair costs ahead of time.
- * The Issuers conduct due diligence on all properties it acquires and have engaged experts to report on specific aspects of each of the properties. In some cases it may not be possible to obtain an unqualified report from these experts. It is therefore not possible for the Issuers to guarantee that potential monetary risks do not exist in these areas. In addition, potential liability claims against experts may be contractually limited.

Interest rates

- * The approximate average interest rate on loan finance currently being paid by Aspen is 6.5%. Should interest rates move upward this may increase the overall interest costs to Aspen, and similarly where interest rates move down interest costs may decrease. As approximately 67% of the borrowings by Aspen are on fixed interest rates for an average period of 5.4 years, the impact of interest rate movements is reduced.

Loan finance

- * Should there be insufficient funds to meet the interest payments on Aspen's debt facilities, the financiers may wish to enforce their security over the properties, and sell the properties.
- * The debt facilities are in place until 28 November 2009. The financiers are not obliged to rollover or extend the loans upon expiry. Further, there is no certainty that the loans will be able to be refinanced at their expiry. In this situation, a financier may enforce its security and, amongst other actions, require the sale any of the properties over which it may have security.

Gearing

- * By using debt to part finance the purchase of the properties, the potential for capital gains and losses increases.

Distributions

- * Securityholders in Aspen are entitled to participate in distributions of Aspen from time to time but the amount of future distributions or whether a distribution will be made in any given quarter is not guaranteed by the Issuers.

5.3 General/Economic Risks

Property Performance

- * Investment in property should be viewed as a long-term investment. The impact of property performance (both in terms of those properties that may be acquired by Aspen or the general property market) on the value of Aspen's Stapled Securities cannot be clearly assessed at this or any future stage.
- * Changing local or global economic conditions may affect the potential resale value of the properties, as well as Aspen's ability to actually achieve such a sale of the properties. Adverse market and economic conditions could lead to any such potential future sale resulting in a capital loss of the properties' values.

Market Conditions

- * A number of factors outside the Issuers' control may significantly impact on Aspen, its performance and the price of its Stapled Securities. These factors include economic conditions in Australia and international investor sentiment and stockmarket conditions, changes in fiscal, monetary and regulatory policies such as inflation and interest rates, and attitudes to property as an investment class. Investors should recognise that the financial performance of Aspen could be negatively affected by any of the above factors, or any other factors not so noted, which in turn may affect the price of the Stapled Securities.

Stamp Duty and other Taxes

- * Changes to federal and state taxation laws, in particular stamp duty can impact on the general supply and demand for properties and purchase and sale prices of properties to be acquired and /or sold by Aspen.

Accounting Standards and IFRS Risk

- * Based upon existing differences between Australian GAAP and IFRS, Aspen expects the introduction of IFRS in 30 June 2006 will have an impact on its financial statements. Further details with respect to the impact of IFRS have been provided in section 4.3.4 and the Company's 2004 Annual Report, however the full impact of the IFRS on Aspen has not been quantified at this time. Accordingly there can be no assurances that the financial performance and position of Aspen would not be significantly different to that provided in this Offer Document.

Section 6 Valuation Summary



2 December, 2004

The Directors
Aspen Group Limited
Level 8, Septimus Roe Square
256 Adelaide Terrace
PERTH WA 6000

Level 32, 360 Collins Street
Melbourne Vic 3000
+61 (0) 3 9604 4600
+61 (0) 3 9604 4773 fax
www.knightfrank.com.au

Dear Sirs,

**RE: VALUATION SUMMARY
564 ST KILDA ROAD, MELBOURNE**

We refer to the instructions issued by Aspen Group Limited requesting us to establish current market value, subject to existing tenancies and rental guarantee, in the abovementioned property as at 15 November, 2004.

For the purpose of inclusion in the Product Disclosure Statement, we provide a summary of the valuation outlining key factors which have been considered in arriving at our opinion of value.

For further information, we refer the reader to the contents of the comprehensive valuation reports prepared for the purposes of acquisition, copies of which are held by Aspen Group Limited.

VALUATION SUMMARY

Valuation	Net Passing Income (Per Annum)	Assessed Net Market Income (Per Annum)	Initial Yield and Reversionary Yield	Internal Rate of Return (IRR)
564 St Kilda Road, Melbourne, Vic				
\$25,000,000	\$2,135,593	\$2,106,362	8.53% (Initial) 8.60% (Rev.)	9.23%

MARKET VALUE DEFINITION

Market Value as defined by the International Valuations Standard Committee and as adopted by the Australian Property Institute is as follows:

"Market Value is the estimated amount for which an asset should exchange on the date of valuation between a willing buyer and a willing seller in an arms length transaction after proper marketing, wherein the parties had each acted knowledgeably, prudently and without compulsion."

We advise that the Valuer has no pecuniary interest that could conflict with the proper valuation of the property. Reference to the Valuer in this context includes the firm which the valuer represents, all other persons within that firm and any related firms acting as leasing agents, managing agents, general estate agents or in any other capacity. This position will be maintained until the purpose for which this valuation is being obtained is completed.



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*Trade mark of the Knight Frank Group used under licence.

Aspen Group Limited Valuation Summary

We advise that we have carried out an inspection of the subject property and have undertaken market research with respect to the available sales evidence, prepared our calculations and report formally herein. The valuation has been prepared in conformity with the Code of Professional Ethics and Conduct laid down by the Australian Property Institute.

VALUATION METHODOLOGY

In assessing market value for the property, we have adopted discounted cash flow and traditional capitalisation of net income approaches checked by reference to direct comparison with comparable sales analysed on a rate per square metre of lettable area. Our discounted cash flow has been prepared taking into account the ability of the property to generate income over a 10 year period based on certain assumptions. Provision is also made for leasing up periods and incentives upon the expiry of any existing and assumed leases.

We draw your attention to the fact that our DCF analysis is based on projections and that reliance on such projections must be made with full acceptance of their limited reliability and with due consideration of the commercial risks related to such forecasts. Our DCF analysis has been undertaken for the sole purpose of assisting in the determination of the current market value of the property and we make no guarantees or warranty as to the accuracy of the future rental income stream projections in so far as they relate to market rental movements.

In our capitalisation approach, we have capitalised our adopted market rent profile at market yields, with adjustments for any net level of rental shortfall/profit rent in relation to our adopted effective market rental profile. We have also made allowances in relation to capital expenditure.

We have been advised that the tenancy incentive provided to Independent Systems Integrators and remaining at the date of valuation is to be paid out by the vendor as part of the purchase contract.

Our valuation has been carried out on a net of GST basis, and any tax payable on the sale of the subject property is in addition to the amount assessed herein.

PROPERTY SUMMARY**Brief Description of Property**

The property comprises a modern commercial office building constructed in circa 1992 and comprising a Net Lettable Area of approximately 8,470.2 square metres.

- 8 levels of office accommodation and 6 levels of car parking above ground, and a further two levels of basement car parking - areas of the car parking are split level. The car parking levels provide 173 car parking spaces
- The ground floor level provides a high clearance glassed enclosed foyer, with 4 lifts providing access to each level.
- The building façade comprises reflective glazed curtain walling together with a painted and rendered concrete frame, and distinctive lattice decorative features.
- Access to the basement, ground and upper level car park is via Queens Lane.

The property is contained within Certificate of Title Volume 9838 Folio 054, being more particularly described as the land in Crown Allotment 2, Section T, City of South Melbourne, Parish of Melbourne South.

Tenancy Overview

The lease profile is essentially some three tenants plus various licences for car parking and telecommunications.

The main lease is to Hewlett-Packard, effective 2nd February, 1993, leased on a net basis, with the Lessee responsible for statutory and operating costs of the property including rates, taxes (including land tax), insurance, supply and maintenance of services and reasonable fees for management of the building. The tenant contributes approximately 85% of current passing income. The Lessee has also agreed for any GST liability in relation to a taxable supply, outlined in the Deed of Assignment, Extension and Variation.

The leases contain a variety of terms and conditions considered normal in the current market. The leases are structured on a net basis and are consistent with usual leases in that they provide for the tenants to be responsible for statutory and building outgoings.

The rent review provision in the Hewlett-Packard lease allows market reviews with ratchet provision. The Independent System Integrators lease provides for annual rental increases to CPI. Such provisions are consistent with normal commercial leases. Furthermore, having regard to rental growth forecasts, we are of the opinion that the CPI provision does not adversely affect the market value of the property.

Valuation

We are of the opinion that the Current Market Value of the property assuming a sale of the freehold interest, subject to the existing lease agreements and rental guarantee, and relevant to prevailing levels of value as at 15 November, 2004, was:

\$25,000,000 (TWENTY FIVE MILLION DOLLARS, EXCLUSIVE OF GST)

Important - Notice required under the *Financial Services Reform Act*

This valuation summary expresses an opinion on the value of property. Knight Frank Valuations has consented to a summary of this report being included in a Product Disclosure Statement, but Knight Frank is not providing advice about a financial product, nor the suitability of the investment set out in this Product Disclosure Statement. Such an opinion can only be provided by a person that holds an appropriately authorised Australian Financial Services Licence. Knight Frank Valuations does not hold such a licence and is not operating under any such licence in providing its opinion as to the value of the property detailed in this valuation summary.

Details of Remuneration

Knight Frank Valuations is obliged to disclose the remuneration it has received in providing its opinion as to the value of the property described in this summary. The relevant details are as follows:

Aspen Group Limited Valuation Summary

- Knight Frank Valuations has been retained by Aspen Group Limited and no other party to provide the valuation.
- Knight Frank Valuations does not have any financial interest in Aspen Group Limited and has provided the valuation solely in its capacity as an independent professional advisor.
- Knight Frank Valuations is not aware of any interest, association or relationship that might reasonably influence the opinion provided in the valuation.
- Knight Frank Valuations has received a fee of \$13,000 for its professional services in providing the valuation. That fee is not in any way linked to its opinion as to the value of the property expressed in the valuation.

LIABILITY DISCLAIMER

Knight Frank Valuations has prepared this letter based upon information made available to us as at the date of the valuation. We believe this information is accurate and complete but we have not independently verified all such information.

Knight Frank Valuations has prepared this valuation summary for inclusion in the Product Disclosure Statement and consents to its inclusion in the Product Disclosure Statement in the form and context in which it is included. Knight Frank Valuations has not been involved in the preparation of any other part of the Product Disclosure Statement. Knight Frank Valuations has not been required to approve or express any opinion about any part of the Product Disclosure Statement, other than this letter of summary.

Knight Frank Valuations, its directors, executive officers and employees therefore cannot, and do not, make any warranty or representation as to the accuracy or completeness of any information or statement contained in any part of the Product Disclosure Statement, other than those expressly made or given in this letter of summary. Knight Frank Valuations specifically disclaims liability to any person in the event of any alleged false or misleading statement in, or material omission from, any part of the Product Disclosure Statement other than in respect of the material prepared by Knight Frank Valuations.

Yours faithfully,



Joseph A Perillo
Director

For and on behalf of
Valuations Services (VIC) Pty Ltd
T/A KNIGHT FRANK VALUATIONS

KFVAL1936 PROSPECTUS.DOC

Section 7

Additional Information

7.1 Rights Attaching to New Stapled Securities

The rights attaching to the New Stapled Securities consist of rights set out in the Trust Deed and Constitutions of APT and AGL respectively and the rights created by the Corporations Act and common law. The rights of the New Stapled Securities are identical to those of the existing Stapled Securities. Securityholders should refer to these documents, which may be viewed during normal hours at Aspen's registered office.

A summary of the rights attaching to New Stapled Securities is set out below. The summary does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Securityholders, which can involve complex questions of law arising from the interaction of the constitutions with statutory and common law requirements.

Upon allotment of the New Stapled Securities, these rights will include (but will not be limited to) the following:

Voting, Meeting and Notices

At a general meeting, every Securityholder present in person or by proxy, representative or attorney will have one vote on a show of hands and, on a poll, one vote for each New Stapled Security held.

Each Securityholder will be entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be furnished to Securityholders under Aspen's constitutions, the Corporations Act and the Listing Rules.

Distributions

The profits of Aspen that the Directors may from time to time determine by way of distribution will be divisible amongst the Securityholders in proportion to the number of Stapled Securities held by them respectively, irrespective of the amount paid up or credited as paid up on the Stapled Securities, subject to the rights of holders of Stapled Securities issued with any preferred, deferred or other special rights (at the present there are none).

Return of Capital

On a winding up of Aspen, the holders of New Stapled Securities will participate in any surplus assets in proportion to the number of stapled securities held by them at the commencement of the winding up.

Transfer of Stapled Securities

New Stapled Securities are freely transferable, subject to the Constitutions of AGL and APT, the Corporations Act and the ASX Listing Rules. Aspen may refuse to register a transfer of Stapled Securities where the transfer is not in a registrable form or where such a refusal is permitted by the ASX listing rules or ASX.

Stapled Securityholders' Liability

A Securityholder's liability is limited under the Trust Deed and Constitution to the amount paid.

Variation of Rights

Where the capital of the Group is divided into different classes, the rights attaching to any class (unless otherwise provided by the terms of issue of the Stapled Securities of that class) may be varied or abrogated in any way with the approval by way of special resolution passed at a separate meeting of the holders of that class of Stapled Security or with the consent in writing of the holders of three-quarters of the issued capital of that class.

7.2 Continuous Disclosure Obligations

Aspen is a “disclosing entity” under Section 111 AC of the Corporations Act. As such, it is subject to regular reporting and disclosure obligations which amongst other things and subject to certain exceptions, require it to disclose to the ASX any information of which it is, or becomes, aware concerning Aspen and which a reasonable person would expect to have a material effect on the price or value of securities of the Aspen. The Directors of Aspen believe Aspen has met its disclosure obligations as mentioned above.

Documents released by Aspen in accordance with regular reporting and disclosure obligations include:

- * Both annual and half yearly financial reports accompanied by a Directors’ declaration and report, and an independent audit or review report, lodged with the ASIC and ASX;
- * Information concerning Aspen of which it is aware, or becomes aware, and which a reasonable person would expect to have a material effect on the price or value of securities of Aspen subject to certain exceptions permitted under the Listing Rules.

Aspen will provide a copy of each of the following documents, free of charge, to any securityholder who asks for it prior to the Closing Date:

- * The audited financial report of Aspen for the twelve months ended 30 June 2004 (being the last financial report for a financial year to be lodged with the ASIC in relation to Aspen before the date of this Offer Document);
- * Any continuous disclosure notices given by the Company after the lodgement of the last annual financial report and before the lodgement of the Offer Document with ASIC.

Copies of documents lodged with the ASIC in relation to Aspen may be obtained from, or inspected at, an office of the ASIC.

This Offer Document is a transaction specific document and as such only contains information in relation to the effect of this issue of New Stapled Securities in Aspen and the entitlements attaching to those Stapled Securities. General information in relation to all the assets and liabilities, financial position, financial performance, and future prospects of Aspen has not been included in this Offer Document except to the extent required under Part 7.9 of the Corporations Act as it relates to the content requirements of a PDS. Securityholders should therefore consider the information in this Offer Document along with all other publicly available information in relation to Aspen before determining whether to accept their entitlement.

Aspen has lodged the following announcements with the ASX since the lodgement of the 2004 audited financial statements:

Date	Statement Released
8 December 2004	Entitlement Issue Timetable
1 December 2004	Distribution Announcement
30 November 2004	Results of Meeting
29 November 2004	2004 AGM Presentation
25 November 2004	Property Acquisition & Entitlement Issue
23 November 2004	Trading Halt
19 November 2004	Revaluation of Properties
16 November 2004	Ceasing to be a substantial holder
5 November 2004	Ceasing to be a substantial holder from BNB
27 October 2004	Notice of Annual General Meeting
26 October 2004	Appendix 3B – Dividend & Distribution Reinvestment Plan
26 October 2004	Refinance Debt Facilities
19 October 2004	Property Acquisition

6	October	2004	Becoming a substantial holder
6	October	2004	Becoming a substantial holder from AMP
5	October	2004	Settlement of Exmouth Caravan Park by Aspen Parks
5	October	2004	Settlement of Property Acquisition
5	October	2004	Completion of \$30 Million Capital Raising
4	October	2004	Change in substantial holding
4	October	2004	Becoming a substantial holder
1	October	2004	DRP Price

7.3 Material Contracts

7.3.1 Underwriting Agreement

Aspen has entered into an underwriting agreement dated 25 November 2004 with Patersons Securities Limited under which the Underwriter has agreed to underwrite the Entitlement issue under the terms and conditions contained in the Underwriting Agreement.

The Underwriter will receive fees in connection with this Entitlement Issue as described in Section 7.7. Aspen also agrees to re-imburse the Underwriter for all reasonable costs and expenses incurred in connection with the underwriting.

A copy of the Underwriting Agreement is available for inspection at the registered office of Aspen.

Some of the key terms and conditions of the Underwriting Agreement are described below.

The obligations of the Underwriter to subscribe for the Shortfall Securities are subject to the satisfaction of the following conditions precedent:

- * (Due diligence): the Underwriter being satisfied with the due diligence investigations and the due diligence results by the lodgement date (and all due diligence reports being addressed to, and for the benefit of, the Underwriter);
- * (Underwriter's consent to be named): the Underwriter being satisfied with the form of the Offer Document (in its absolute discretion) and having given its consent to be named in the Offer Document by the lodgement date as evidence thereof;
- * (Legal sign off): a legal sign off letter being provided to the due diligence committee by the Group's solicitors, to the satisfaction of the Underwriter, and addressed to be for the benefit of the Underwriter, by the lodgement date; and
- * (Offer Document): the Offer Document being lodged with the ASIC prior to 5.00 pm on the lodgement date.

If any condition precedent set out above is not satisfied by the lodgement date, the Underwriter may terminate this Agreement by notice in writing to the Group.

The conditions above are inserted into the Agreement for the sole benefit of the Underwriter and the Underwriter may, by notice in writing to the Group, on or before the due date for satisfaction of the conditions, either waive the requirement for satisfaction or grant an extension of time for satisfaction of the conditions.

The Underwriter's obligation to lodge applications for any shortfall securities is subject to conditions subsequent as follows:

- * The conditions precedent described in the Underwriting Agreement in relation to shortfall stapled securities have been satisfied, or fulfilled;

- * AGL and AFM have complied with their obligations under the Agreement and have not breached any of the warranties or representations made in the Agreement (other than a breach which is capable of remedy and which is remedied promptly following request by the Underwriter);
- * The Underwriting Agreement has not been terminated by the Underwriter under any of the termination clauses in the Agreement;
- * AGL and AFM have not received Applications for all of the Underwritten Securities on or before the Closing Date;
- * Official Quotation has been duly granted for the New Stapled Securities and remains in full force and effect and no further conditions have been attached to the official quotation which in the opinion of the Underwriter have a material adverse effect and which have not been satisfied or fulfilled to the satisfaction of the Underwriter; and
- * AGL and AFM have, after the Closing Date but before 5.00 pm on the shortfall notice deadline date, given to the Underwriter notice in writing stating the number of shortfall securities and setting out the calculations made by AGL and AFM to determine the shortfall securities, and that notice is accompanied by a valid Certificate made up to the date of that notice.

The Underwriting Agreement provides that the Underwriter may terminate its obligation to underwrite the Entitlement Issue at any time prior to the date on which allotment of the New Stapled Securities will occur. The termination events are described as follows:

- a) **(Indices fall):** any of the All Ordinaries Index or the All Industrial Index as published by ASX is at any time after the date of this Underwriting Agreement 10% or more below its respective level as at the close of business on the Business Day prior to the date of this Agreement; or
- b) **(Offer Document):** AGL and AFM do not lodge the Offer Document on the lodgement date or the Offer Document is withdrawn by them; or
- c) **(Copies of Offer Document):** AGL and AFM fail to provide, at AGL and AFM's cost to the Underwriter:
 - i) 1 copy of the Offer Document within 2 days of the Lodgement Date; and
 - ii) as many additional copies of the Offer Document prior to the Closing Date as the Underwriter may from time to time reasonably require for the purposes of the Issue, such additional copies to be provided promptly after request by the Underwriter
- d) **(No Official Quotation):** official quotation has not been granted by the shortfall notice deadline date or, having been granted, is subsequently withdrawn, withheld or qualified; or
- e) **(Compliance with continuous disclosure):** the Group fails to comply with its continuous disclosure obligations under the Corporations Act and the Listing Rules of the ASX; or
- f) **(Change in responsible entity):** AFML seeks to retire or is removed as the responsible entity of the Trust or ASIC or another person makes an application for the appointment of a temporary responsible entity of the Trust under Part 5C.2 of the Corporations Act;
- g) **(Supplementary Offer Document):**
 - (i) the Underwriter, having elected not to exercise its right to terminate its obligations under this Underwriting Agreement forms the view on reasonable grounds that a supplementary or replacement Offer Document should be lodged with ASIC for any of the reasons referred to in section 719 or section 1014A of the Corporations Act and AGL and AFM fail to lodge a supplementary or replacement Offer Document in such form and content and within such time as the Underwriter may reasonably require; or
 - (ii) AGL and AFM lodge a supplementary or replacement Offer Document and product disclosure statement without the prior written agreement of the Underwriter; or

- h) **(Non-compliance with disclosure requirements):** it transpires that the Offer Document does not contain all the information required by section 713 (or sections 710, 711 and 716) or by Subdivision C of Division 2 of Part 7.9 of the Corporations Act;
- i) **(Misleading Offer Document):** it transpires that there is a statement in the Offer Document that is misleading or deceptive or likely to mislead or deceive, or that there is a material omission from the Offer Document (having regard to the provisions of section 713 (or sections 710, 711 and 716) and Subdivision C of Division 2 of Part 7.9 of the Corporations Act) or if any statement in the Offer Document becomes misleading or deceptive or likely to mislead or deceive or if the issue of the Offer Document is or becomes misleading or deceptive or likely to mislead or deceive;
- j) **(Restriction on allotment):** AGL and AFM are prevented from allotting the New Stapled Securities within the time required by this Agreement, the Corporations Act, the Listing Rules, any statute, regulation or order of a court of competent jurisdiction by ASIC, ASX or any court of competent jurisdiction or any governmental or semi-governmental agency or authority;
- k) **(Withdrawal of consent to Offer Document):** any person (other than the Underwriter) who has previously consented to the inclusion of its, his or her name in the Offer Document or to be named in the Offer Document, withdraws that consent;
- l) **(ASIC application):** an application is made by ASIC for an order under section 1324B or any other provision of the Corporations Act in relation to this Offer Document, the shortfall notice deadline date has arrived, and that application has not been dismissed or withdrawn;
- m) **(ASIC hearing):** ASIC gives notice of its intention to hold a hearing under section 739, section 1020E or any other provision of the Corporations Act in relation to the Offer Document to determine if it should make a stop order in relation to the Offer Document and in the reasonable opinion of the Underwriter the hearing would adversely and materially affect the Offer, or the ASIC makes an interim or final stop order in relation to the Offer Document under section 739, section 1020E or any other provision of the Corporations Act;
- n) **(Takeovers Panel):** the Takeovers Panel makes a declaration that circumstances in relation to the affairs of the Group are unacceptable circumstances under Pt 6.10 of the Corporations Act, or an application for such a declaration is made to the Takeovers Panel;
- o) **(Hostilities):** there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of this agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
- p) **(Authorisation):** any authorisation which is material to anything referred to in the Offer Document is not granted, repealed, revoked or terminated or expires, or is modified or amended in a manner unacceptable to the Underwriter including any modification required from ASIC;
- q) **(Indictable offence):** a director or senior manager of a relevant entity is charged with an indictable offence;
- r) **(Suspension):** the Group is removed from the official list or the New Stapled Securities become suspended from official quotation and that suspension is not lifted within 24 hours following such suspension;
- s) **(Breach of significant contracts):** a significant or material contract referred to in the Offer Document is, without the prior written consent of the Underwriter:
- i. breached by a relevant entity;
 - ii. terminated (whether by breach or otherwise);

- iii. altered or amended in any way; or
- iv. found to be void or voidable;

u) **(Termination Events):** any of the following events occurs:

- i. (Default): default or breach by AGL and AFM under this Underwriting Agreement of any material terms, condition, covenant or undertaking;
- ii. (Incorrect or untrue representation): any representation, warranty or undertaking given by AGL and AFM in this Underwriting Agreement is or becomes untrue or incorrect;
- iii. (Contravention of constitution or Act): a contravention by a relevant entity of any provision of its constitution, or, in respect of AFM, of the Trust Constitution, the Corporations Act, the Listing Rules or any other applicable legislation or any policy or requirement of ASIC or ASX;
- iv. (Adverse change): an event occurs which gives rise to a material adverse effect or any adverse change or any development including a prospective adverse change after the date of this Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant entity including, without limitation, if any forecast in the Offer Document becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
- v. (Error in Due Diligence Results): it transpires that any of the due diligence results or any part of the verification material was false, misleading or deceptive or that there was an omission from them;
- vi. (Significant change): a "new circumstance" not included in the Offer Document arises that is materially adverse from the point of view of an investor;
- vii. (Public statements): without the prior approval of the Underwriter a public statement is made by AGL or AFML in relation to the Offer, the Entitlement Issue or the Offer Document;
- viii. (Misleading information): any information supplied at any time by the Group or any person on its behalf to the Underwriter in respect of any aspect of the Offer or the Issue or the affairs of any relevant entity is or becomes misleading or deceptive or likely to mislead or deceive;
- ix. (Official Quotation qualified): the Official Quotation is qualified or conditional other than as set out in the definition of "Official Quotation" or other customary conditions agreed by the Underwriter (such consent not to be unreasonably withheld or delayed);
- x. (Change in Act or policy): there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any of its States or Territories any Act or prospective Act or budget or the Reserve Bank of Australia or any Commonwealth or State authority adopts or announces a proposal to adopt any new, or any major change in, existing, monetary, taxation, exchange or fiscal policy;
- xi. (Prescribed Occurrence): a prescribed occurrence occurs;
- xii. (Suspension of debt payments): the Group suspends payment of its debts generally;
- xiii. (Event of Insolvency): an event of insolvency occurs in respect of a relevant entity;
- xiv. (Judgment against a Relevant Entity): a judgment in an amount exceeding \$25,000 is obtained against a relevant entity and is not set aside or satisfied within 7 days;

- xv. (Litigation): material litigation, arbitration, administrative or industrial proceedings are after the date of this Underwriting Agreement commenced or threatened against any relevant entity, other than any claims foreshadowed in the Offer Document;
- xvi. (Board and senior management composition): there is a change in the composition of the Board or a change in the senior management of the Group before Completion without the prior written consent of the Underwriter;
- xvii. (Change in ownership): there is a material change in the major or controlling shareholdings of a relevant entity or condition 7 of Listing Rule 1.1 in relation to the Trust is not satisfied or a takeover offer or scheme of arrangement pursuant to Chapter 5 or 6 of the Corporations Act is publicly announced in relation to a relevant entity;
- xviii. (Timetable): there is a delay in any specified date in the Timetable which is greater than 3 Business Days other than as a result of actions or omissions of the Underwriter (unless those actions or omissions were requested by AGL or AFM) or the actions or omissions of a relevant entity (where those acts or omissions had the prior consent of the Underwriter);
- xix. (Force Majeure): a force majeure affecting the Group's business or any obligation under the Underwriting Agreement lasting in excess of 7 days occurs;
- xx. (Certain resolutions passed): a relevant entity passes or takes any steps to pass a resolution under section 254N, section 257A or section 260B of the Corporations Act or a resolution to amend its constitution or the Trust Constitution without the prior written consent of the Underwriter;
- xxi. (Capital Structure): any relevant entity alters its capital structure in any manner not contemplated by the Offer Document;
- xxii. (Investigation): any person is appointed under any legislation in respect of companies to investigate the affairs of the Group;
- xxiii. (Market Conditions): a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets; or

Notwithstanding the termination events above the Underwriter may not exercise its rights under the above termination events, unless in the reasonable opinion of the Underwriter reached in good faith, the occurrence of the event has or is likely to have, or two or more such events together have or are likely to have a material adverse effect, or could give rise to a material liability of the Underwriter under the Corporations Act or otherwise.

AGL and AFM will indemnify and keep indemnified:

- (a) each of the Underwriter and associated parties joint and severally and hold them harmless from and against losses as set out in the Underwriting Agreement.
- (b) the Underwriter in respect of any payment made by the Underwriter to reimburse or provide for payment of any losses suffered personally by an indemnified party in respect of the matters described in paragraph (a) of the indemnity or resulting from or attributable to those matters.

7.3.2 Property Sale Agreement

AFM as the responsible entity for APT has entered into an agreement to purchase the St. Kilda Road Property, Melbourne, Victoria. Key features of the agreement are:

Date of agreement – 24 November 2004

Purchase Price – \$25 million

Settlement – 15 December 2004

7.4 Aspen Group Limited Constitution

A summary of the rights attaching to the ordinary shares of AGL is set out below. This summary is based on the terms of the AGL constitution (a full copy of AGL's constitution is available from AGL upon request) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of shareholders. These rights and liabilities can involve complex questions of law arising from the interaction of AGL's constitution with statutory and common law requirements. For a shareholder to obtain a definitive assessment of the rights and liabilities that attach to shares in any specific circumstances, the shareholder should seek legal advice.

Voting

At a general meeting, on a show of hands every ordinary shareholder present in person has one vote. At the taking of a poll, every ordinary shareholder present in person or by proxy and whose shares are fully paid has one vote for each share held. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the share. The fraction is equivalent to the proportion, which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

General Meetings

Each ordinary shareholder is entitled to receive notice of, attend and vote at general meetings of AGL and to receive all notices, financial statements and other documents required to be sent to ordinary shareholders under the AGL constitution and the Corporations Act.

Dividends

The Directors may pay to ordinary shareholders any interim and final dividends as, in the Directors' judgement, the financial position of AGL justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the ordinary shareholders in proportion to the number and amount paid on the shares held. This is subject to the rights attaching to any shares that may be entitled to special rights as to dividends.

Transfer of shares

Generally, all shares in AGL are freely transferable subject to the procedural requirements of the AGL constitution and to the provisions of the Corporations Act, the ASX Listing Rules and the ASTC Settlement Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in a registrable form or where refusal is permitted under the ASX Listing Rules or the ASTC Settlement Rules. If the Directors decline to register a transfer, AGL must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the ASX Listing Rules, or the ASTC Settlement Rules.

Variation of Rights

AGL may modify or vary the rights attaching to any class of shares with the prior approval by a special resolution of the holders of shares in that class at a meeting of those holders, or with the written consent of the holders of at least 75% of the issued shares of that class.

Directors

The minimum number of directors is three and the maximum is fifteen. Currently, there are five Directors of AGL. Directors must retire on a rotational basis such that one-third of directors (except a Managing Director) must retire at each annual general meeting. Any other director (except a Managing Director) who has been in office for three or more years must also retire. A retiring director is eligible for re-election. The Directors may appoint a director either in addition to existing directors or to fill a casual vacancy, who then holds office until the next general meeting.

Issue of Further Shares

Subject to AGL's constitution, the Corporations Act and the ASX Listing Rules, the Directors may issue or grant options in respect of shares to such persons on such terms as they think fit.

7.5 Aspen Property Trust Constitution

Set out below is a summary of some of the more significant provisions of the APT constitution. The summary does not purport to be an exhaustive statement of any or all of the APT constitution's provisions.

(i) Introduction

APT is registered with ASIC as a managed investment scheme and governed by a constitution under which AFM is the Responsible Entity.

(ii) The Responsible Entity

The Responsible Entity is responsible for the management and administration of APT and its investments in accordance with the procedures set out in the constitution and compliance plan for APT lodged with ASIC and the Corporations Act.

Subject to the provisions of the APT constitution and its fiduciary obligation to act in the best interests of the unitholders of APT, the Responsible Entity may deal with the APT assets as if it were the absolute owner of them. For example, the Responsible Entity may obtain financial accommodation and give guarantees on behalf of APT.

(iii) Term of the Aspen Property Trust

APT will have a term of 80 years, subject to earlier termination by the Responsible Entity in accordance with the APT constitution, the Corporations Act or Listing Rules of the ASX.

If APT is terminated, the Responsible Entity will sell all APT assets as soon as practicable and distribute the net proceeds to relevant unitholders in proportion to their unit holdings.

(iv) Retirement and removal of the Responsible Entity

The Responsible Entity may be removed in the circumstances set out in the Corporations Act. The Responsible Entity may also retire in accordance with the Corporations Act.

(v) Rights and interests of unitholders

The principal rights of unitholders include the right to:

- * Requisition, attend and vote at meetings of unitholders;
- * Share in the distribution of assets if APT is wound up; and
- * Share in income and capital distributions.

Except as provided by the APT constitution or in the terms of issue of any class of units, each unit will confer an equal beneficial interest in APT but no unit will confer a right to a specific asset of APT. Unitholders may not interfere with the exercise of the Responsible Entities powers or exercise any rights in respect of any investment or require a transfer of property. The APT constitution allows the Responsible Entity to issue units with special rights or restrictions.

The APT constitution also permits the issue of units with a condition that they be stapled to shares in AGL so that the units may not be transferred or otherwise dealt with unless the share to which the unit is stapled is also transferred at the same time to the same person or otherwise simultaneously dealt with.

(vi) Unitholders' liabilities

APT's constitution limits unitholders' liability to the value of their investment in the Trust. However, the ultimate liability of unitholders in unit trusts to creditors is a question that has not been determined finally by the courts.

(vii) Expenses

The APT constitution authorises the Responsible Entity to claim reimbursement out of the assets of APT for all expenses and liabilities, which it properly incurs in connection with managing the trust and its compliance obligations, including the recovery of goods and services taxes.

(viii) Income distribution

The distributable income of APT, as determined by the Responsible Entity, will generally be distributed quarterly. Unitholders' entitlements are to be determined on the basis of their unit holdings on the last day of the relevant distribution period.

(ix) Redemption of units

While APT is listed, there will be no facility for the redemption of units.

(x) Modification of the Constitution

Subject to the Corporations Act, the Responsible Entity may amend the APT constitution. The Corporations Act currently prevents a constitution being amended without the approval of unitholders unless the Responsible Entity reasonably believes that the rights of unitholders will not be adversely affected by the amendment.

(xi) Limitation of the Responsible Entity's liability

Except in the case of fraud, negligence or breach of duty or trust on the part of the Responsible Entity, the Responsible Entity will not be liable to unitholders to any greater extent than that to which it is entitled to be indemnified out of the APT assets.

(xii) Complaints handling

The Responsible Entity must establish and maintain a complaints handling procedure. This and other procedures are set out in the APT compliance plan and are overseen by a compliance committee set up by the Responsible Entity in accordance with the Corporations Act. At least one half of the compliance committee members must be external members.

7.6 Consents and Disclaimers

Each of the parties referred to in this section does not make, or purport to make, any statement in this Offer Document other than as specified in this section and to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Offer Document other than the reference to its name or a statement included in this Offer Document with the consent of that party as specified in this section.

Patersons Securities Limited has given, and at the time of lodgement of this Offer Document, has not withdrawn its consent to be named as Lead Manager and Underwriter to the offer of Stapled Securities under this Offer Document, in the form and context in which it is named. Patersons Securities Limited makes no express or implied representation or warranty in relation to Aspen Group, this Offer Document or the offer and does not make any statement in this Offer Document, nor is any statement in it based on any statement made by Patersons Securities Limited. To the maximum extent permitted by law, Patersons Securities Limited expressly disclaims and takes no responsibility for any material in, or omission from, this Offer Document other than the reference to its name.

Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named as Share Registrar in the form and context in which it is named.

Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Offer Document other than being named as Share Registrar to Aspen Group. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Offer Document.

Deacons has given and not before the date of this Offer Document withdrawn its consent to being named in this Offer Document in the form and context in which their name has been intended. Deacons has not caused the issue of or in any way authorised this Offer Document and takes no responsibility for the issue of this Offer Document.

Knight Frank Valuations has given and not before the date of this Offer Document withdrawn its consent to being named in this Offer Document and to the inclusion of its valuation report in the form and context in which their name or report have been included. Knight Frank Valuations has not caused the issue of or in any way authorises this Offer Document, and takes no responsibility for the issue of this Offer Document other than its valuation summary.

Deloitte Touche Tohmatsu has given and not before the date of this offer document withdrawn its consent to being named in this Offer Document in the form and context in which their name has been included.

Deloitte Touche Tohmatsu has not caused the issue of or in any way authorised this Offer Document and takes no responsibility for the issue of this Offer Document.

7.7 Disclosure of Interests of Experts and Advisers

Other than as set out below or elsewhere in this Offer Document, no promoter, Underwriter or any other person named in this Offer Document as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Offer Document, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the two year period ending on the date of this Offer document, any interest in:

- * The formation or promotion of Aspen;
- * Property acquired or proposed to be acquired by Aspen in connection with its formation or promotion; or
- * The non-renounceable Entitlement Issue.

Other than as set out below or elsewhere in this Offer Document, no amounts of any kind (whether in cash or Shares or otherwise) have been paid or agreed to be paid to any promoter, Underwriter or any other person named in this Offer Document is performing a function in a professional advisory or other capacity in connection with the preparation or distribution of this Offer Document, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with:

- * The formation or promotion of the Aspen; or
- * The non-renounceable Entitlements Issue.

The benefit received by the experts or advisers is as follows:

Patersons Securities Limited has agreed to act as Underwriter and Lead Manager to the Entitlement Issue and will receive fees in connection with this Entitlement Issue of \$362,500.

Patersons Securities Limited received a fee totalling \$870,160 for acting as Lead Manager for the placement of \$30 million conducted by Aspen in September 2004.

Deacons has acted as legal adviser to the Offer Document. In respect of the work undertaken, Aspen have agreed to pay approximately \$25,000.

Knight Frank has prepared a valuation report in respect of 564 St Kilda Road, Melbourne, Victoria to be acquired as part of the entitlement issue. In respect of this work Knight Frank will be paid approximately \$13,000.

Knight Frank has prepared a valuation of the property at 215 Browns road, Noble Park in July 2004 for which it has received a fee of \$16,500.

7.8 Disclosure of Directors' Interests

Other than as set out below or elsewhere in this offer document, no Director holds or has held in the two years prior to the date of this Offer Document, a beneficial interest in:

- * The Offer; or
- * Any property acquired or proposed to be acquired by Aspen in connection with its formation or promotion of the Entitlement Issue.

Except as set out in this Offer Document, no party has paid or agreed to pay any amount, and no party has given or agreed to give any benefit, to any Director or proposed Director:

- * To induce a person to become, or qualify as a director; or
- * For services provided by a director or proposed director in connection with the formation or promotion of Aspen or the Entitlement Issue.

Directors relevant interests in Aspen as at the date of this Offer Document were:

Director	Stapled Securities	Listed Options	Unlisted Options
R Gillard	1,875,631	25,000 (i)	250,000 (ii)
A Del Borrello	7,603,779	-	4,000,000 (iii)
G Hawkins	7,598,739	-	4,000,000 (iii)
S Fai Chan	5,698,739	-	250,000 (ii)
P Hall	7,237,500	918,750 (i)	250,000 (ii)
S Price	1,398,558	-	-

(i) Exercisable at \$0.25 on or before 10/10/2005

(ii) Exercisable at \$0.25 on or before 2/12/2005

(iii) Exercisable at \$0.1875 on or before 8/2/2007

In the last 2 years, Chan Galic Pty Ltd, a personally related entity of Mr S F Chan, has received legal fees of \$91,000 for legal services relating to the Group's commercial property transactions on normal commercial terms and conditions. In the last 2 years, corporate advisory and securities firm SageCorp Securities Pty Ltd, a personally related entity of Mr G Hawkins and Mr A Del Borrello, has received net commission totalling \$267,009, for capital raising on behalf of Aspen Group.

7.9 Estimated Expenses of the Entitlement Issue

The total estimated expenses of the entitlement issue are \$445,500. These expenses include underwriting fees of \$362,500 and valuers fees, legal fees, printing and other miscellaneous expenses totalling \$83,000.

7.10 Documents available for Inspection

The following documents are available for inspection during normal business hours at the registered office of Aspen:

- * This Offer Document;
- * Valuations referred to in this document for the St Kilda Road Property;
- * Underwriting Agreement;
- * Constitutions of APT and AGL; and
- * Compliance Plan of APT.

7.11 Labour, Social, Ethical and Environmental Standards

In selecting, retaining or realising investments Aspen do not generally take into account labour standards or environmental, social or ethical considerations. However, Aspen may do so to the extent that it believes these matters may affect the performance or value of an investment. Aspen does not have a predetermined view as to what constitutes a labour standard or environmental, social or ethical consideration as it will determine this on a case by case basis.

7.12 Privacy Statement

Information collected in the Entitlement and Acceptance Form is for the primary purpose of issuing New Stapled Securities in Aspen. The information collected, held and used by Aspen is for the primary purpose of assessing your entitlement under this Offer Document. Access to the information may also be provided to Aspen's agents and service providers on the basis that they deal with such information in accordance with the Privacy Act. Where requested information is not provided, your acceptance may not be processed. Under the Privacy Act you may request access to your personal information held by Aspen's security registry.

7.13 Litigation

The Directors of Aspen are not aware of any litigation of a material nature in progress, pending, or threatened, which may significantly affect the financial position of Aspen.

7.14 Complaints Handling Procedure

APT's constitution contains provisions which govern the procedure for dealing with complaints by Securityholders, as holders of a unit in APT. The Responsible Entity has procedures in place to properly consider and deal with any complaints received from Securityholders.

Where a Securityholder has a complaint, at the first instance, you should contact the Compliance Manager at AFM on 08 9220 8400 or address your complaint in writing to AFM at PO Box Y3442, East St Georges Terrace, Perth WA 6832.

The Compliance Manager will acknowledge receipt of the complaint and make every effort to resolve the complaint, and will respond in writing.

If the matter is not resolved to your satisfaction, we will provide you with details of an independent body whom we can refer the complaint to.

7.15 Managed Investments Legislation

APT is registered as a managed investment scheme under the relevant provisions of the Corporations Act, with Aspen Funds Management Ltd ("AFM") as the Responsible Entity to operate the scheme.

A compliance plan lodged with ASIC sets out the procedures for the management and administration of APT and its assets. The compliance plan is overviewed by a compliance committee with a majority of external members.

APT uses an external custodian to hold the trust assets. An annual audit of the compliance plan is undertaken by an external auditor.

7.16 ASIC Modifications and Waivers

Aspen has obtained relief from ASIC pursuant to sections 601QA(1)(b) and 601QA(1)(a) of the Corporations Act ("Relief"). The Relief enables Aspen, amongst other things, to:

- (a) Foreign Securityholders
exclude certain Stapled Securityholders situated outside Australia and New Zealand from the Offer;
- (b) Underwriter
issue New Stapled Securities pursuant to the Offer to the Underwriter, or sub-underwriter in accordance with the Underwriting Agreement, or to a person nominated by the Underwriter or sub-underwriter, provided that the new Stapled Securities were first offered to Eligible Stapled Securityholders.

7.17 Consent to Lodgement

This Offer Document is prepared on the basis that certain matters may reasonably be expected to be known to likely investors and their professional advisers.

Each Director of the Responsible Entity and AGL has consented to lodgement of the Offer Document with the ASIC and has not withdrawn that consent.

Signed for and on behalf of Aspen by



Angelo Del Borrello
Managing Director
15 December 2004

Section 8

Glossary

AASB means the Australian Accounting Standards Board

Acquire means the Manager has entered into a contract to purchase a property for Aspen

AFM means Aspen Funds Management Limited ABN 48 104 322 278

AFSL means Australian Financial Services Licence

AGL means Aspen Group Limited ABN 50 004 160 927

APT means Aspen Property Trust ARSN 104 807 767

ASIC means the Australian Securities and Investments Commission

Aspen Group or Aspen means the stapled listed entity (ASX code: APZ) comprising Aspen Group Limited (ABN 50 004 160 927) (which includes its wholly owned subsidiary AFM) and Aspen Property Trust (ARSN 104 807 767)

ASX means Australian Stock Exchange Limited ABN 98 008 624 691

Board means the Board of Directors of AGL and AFM at the date of this Offer Document

Business Day means the same as in the ASX Listing rules

Closing Date means the date at which the entitlement under the Entitlement Issue closes being 21 January 2005, unless otherwise varied by the Board with the consent of the Underwriter

Constitution means the constitution of AGL, as amended from time to time

Corporations Act means the Corporations Act 2001 (Commonwealth of Australia)

Custodian means Perpetual Trustee Company Limited, ABN 42 000 001 007

Directors means the Directors of AGL and AFM at the date of the Offer Document

Eligible Stapled Security means the number of Stapled Securities held by an Eligible Stapled Securityholder on which their entitlements to New Stapled Securities under the Entitlement Issue are determined on the Record Date.

Eligible Stapled Securityholder means a Securityholder in Australia or New Zealand registered as at the Record Date to be eligible to participate in the Entitlement Issue

Entitlement and Acceptance Form means the entitlement and acceptance form accompanying this Offer Document

Entitlement Issue or Offer or Offer Document means the offer of New Stapled Securities to Eligible Stapled Securityholders pursuant to this Offer Document

IFRS means International Financial Reporting Standards

Investor means any person who is a stapled securityholder or who may become a Stapled Securityholder.

Issue Price means the price at which New Stapled Securities are being offered under this Offer Document

Issuers means the issuers of the Offer Document who are AFM and AGL

Lodgement means the date so specified in the timetable or such other date as the Underwriter and Aspen agree

Manager means Aspen Funds Management Limited or Aspen Group

New Stapled Security means a Stapled Security to be issued under this Offer Document

Offer Document means this document which details the Entitlement Issue to Eligible Stapled Securityholders in Aspen on a one for six basis

Opening Date means the date at which the acceptances of entitlements under the Entitlement Issue can be accepted by Aspen being 4 January 2005, unless otherwise varied by the Board with the consent of the Underwriter

Options means options to subscribe for Stapled Securities in Aspen

Offer Period means the period from (and including) the Opening Date to the Closing Date

Properties means all of the properties held by Aspen

Product Disclosure Statement or PDS means this Offer Document

Record Date means 5.00pm WST on 24 December 2004

Responsible Entity means Aspen Funds Management Limited, ABN 48 104 322 278

Security or Stapled Security means one unit in APT and one share in AGL, which must be dealt with together

Securityholders means the persons registered in the registers of securityholders as holders of Stapled Securities in Aspen from time to time

Share means a fully paid ordinary share in AGL

St Kilda Road Property means the office building at 564 St Kilda Road, Melbourne, Victoria

Timetable means the timetable in relation to the Entitlement Issue

Trust means the Aspen Property Trust ("APT") ARSN 104 807 767

Trust Deed means the Trust Deed of the Trust as amended from time to time

Underwriter means Patersons Securities Limited ABN 69 008 896 311

Underwriting Agreement means the agreement between Aspen and the Underwriter dated 25 November 2004 in relation to the Underwriting of the Entitlement Issue

Unit means a unit in APT representing the Unitholder's proportionate interest in the Trust assets

WST means Western Standard Time in Australia

Yield means the return of income received by investors in Aspen Group

Section 9 Acceptance Details

Lodging the Entitlement and Acceptance Form

To complete your Entitlement and Acceptance Form, determine the number of Stapled Securities you wish to accept and then multiply the number of New Stapled Securities for which you are accepting by 20 cents. Write the number and payment amount in the appropriate boxes on the form and complete the cheque and contact details.

Return the form by 5pm Perth time on 21 January 2005.

Cheques and/or drafts /money orders should be in Australian dollar currency, drawn on an Australian Bank, crossed not negotiable, and made payable to "Aspen Group Proceeds Account"

Note: If you do not deal with your entitlement your offer will lapse.

The completed acceptance form and application money should be mailed or delivered to:

Mail Address

Computershare Investor Services Pty Ltd
GPO Box D182
PERTH WA 6840

Delivery Address

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
PERTH WA 6000

Enquiries

Aspen Group

Telephone (08) 9220 8400

Facsimile (08) 9220 8401

Email homemail@aspengroup.com.au

Computershare

Telephone 1300 557 010

Corporate Directory

Board Of Directors

Reg Gillard	(Non-Executive Chairman - AGL and AFM)
Angelo Del Borrello	(Managing Director - AGL and AFM)
Gavin Hawkins	(Executive Director - AGL)
Peter Hall	(Non-Executive Director - AGL and AFM)
Seng Fai Chan	(Non-Executive Director - AGL)
Stuart Price	(Executive Director - AFM)

Group Secretary

Gavin Hawkins

Registered Office

Level 8
256 Adelaide Terrace
PERTH WA 6000
Phone (08) 9220 8400
Fax (08) 9220 8401
Email: homemail@aspengroup.com.au
Web site: www.aspengroup.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 2, 45 St George's Terrace
PERTH WA 6000
Telephone: (61 8) 9323 2000
Facsimile: (61 8) 9323 2033

Lead Manager and Underwriter

Patersons Securities Limited
Level 27
264 George Street
SYDNEY NSW 2000

Legal Advisers

Deacons
Level 39 BankWest Tower
108 St George's Terrace
PERTH WA 6000

Auditors

Deloitte Touche Tohmatsu
Level 16
152 - 158 St George's Terrace
PERTH WA 6000

Stock Exchange Information

Aspen Group's securities are listed on the Australian Stock Exchange Limited under the ASX code APZ (Stapled Securities) and APZO (stapled Options). Aspen Group's securities comprise of one unit in Aspen Property Trust and one share in Aspen Group Limited.

