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ASX ANNOUNCEMENT
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SETTLEMENT OF AIRLIE BEACH BY ASPEN PARKS

Aspen Group (ASX: APZ) is pleased to confirm that settlement was completed on 18 February 2005 for the acquisition of Island Gateway Caravan Park, Airlie Beach, Queensland by Aspen Parks Property Fund (Aspen Parks).

As announced to the ASX on 2 February 2005, the Airlie Beach acquisition brings to eight the number of properties owned by the fund, which is managed by Aspen Funds Management Limited, a wholly owned subsidiary of the Aspen Group.

Total assets of the fund now stand at $43 million with this latest acquisition funded from Aspen Parks' borrowing facilities. The gearing level of the fund following the acquisition is 45.7%, well below the funds maximum gearing level of 65%.

Airlie Beach is located in North Queensland, and considered to be the gateway to the Whitsunday Islands and Great Barrier Reef. The area is growing rapidly as evidenced by recent development approvals for a 1,000 lot residential land development and a new $350 million marina which includes a ferry terminal, residential component and retail precinct.

Aspen Group Managing Director Angelo Del Borrello said the acquisition was an important step for Aspen Parks. "The acquisition is in a thriving location and provides further diversification for the fund. We believe Airlie Beach demonstrates outstanding potential for capital growth based on evidence of strong tourist and population growth." he said.

The Island Gateway Caravan Park is located on approximately 8 acres of freehold land, is within walking distance of the town centre and beach, and is adjacent to the proposed new marina. The Park boasts an extensive range of accommodation facilities and services, with the Parks' quality evidenced by its 4.5 star rating from the automobile club body AAA Tourism.

Mr Del Borrello further commented that "the acquisition provides a strategic land holding in a tourist hotspot while also producing an excellent yield for investors in Aspen Parks".

Aspen Parks continues to seek acquisitions which meet the Funds criteria as it aims to grow the fund to $150 million in assets.

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