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ASX ANNOUNCEMENT
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FUNDS MANAGEMENT UPDATE

Aspen Group **(ASX:APZ)** is pleased to announce recent significant developments within two of its unlisted retail funds, Aspen Parks Property Fund ("Aspen Parks") and Enclave at St Leonards ("Enclave"). Aspen Group is a shareholder and manager for both Funds.

Extension of Aspen Parks Senior Debt Facility

Aspen Group is pleased to announce that Aspen Parks has received credit approval for a new $130 million debt facility with its existing financier St George Bank. Credit approval is subject to finalisation of documentation and the completion of independent valuations on six properties. Key components of the new debt facility are:

- Maturity date extension from July 2011 to July 2014
- Total facility LVR covenant reducing from 65% to 55%
- No increase in margin or line fees from existing facility

At present the drawn LVR of Aspen Parks is 51%. The six independent property valuations required as part of the finalisation of the new facility are not expected to materially impact the current LVR position.

Aspen Group Managing Director Mr Gavin Hawkins said the new long term debt facility further strengthened Aspen Park's position as a leading unlisted property fund.

"We are delighted to have the continued support of St George Bank, with this new facility providing confidence to both investors and our retail distribution networks of the Fund's ongoing success and enhances its ability to raise further equity," said Mr Hawkins.

The new facility extends the average debt maturity profile for Aspen Group and its Funds from 1.4 years to 2.1 years.

Aspen Completes Residential Land Development Syndicate Equity Raising

Aspen Group confirms it has successfully completed the equity raising of $11.5 million and secured the necessary debt funding to commence development of the Enclave, a residential land development in the North East growth corridor of Perth. Launched in November 2010, the Enclave is the first retail investor offering by Aspen Living.

Aspen Group Managing Director, Mr Gavin Hawkins, said the completion of the Enclave equity raising was a pleasing result over a relatively short period of time, and represented the recycling of non-core development land into a syndicated residential project.

"We have been delighted with the strong investor response and the take up from Aspen Group's retail investors has particularly been pleasing. The result demonstrates the capability of our distribution team to raise equity, in still challenging times for development projects," said Mr Hawkins.

Aspen Group currently holds approximately a 10% investment in the Enclave and will act as fund and development manager, with the receipt of management fees to commence in FY12.

End

For further information please contact:

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About Aspen Group

Aspen Group is an ASX listed property investment and funds management group, focused on acquiring quality property assets and creating and managing innovative property funds and syndicates. Formed in 2001, Aspen is a member of the S&P/ASX 300 index with assets under management of approximately A$1.4 billion.

Aspen's core strength lies within the Group's broad expertise across property acquisition, development and management enabling the Group to provide leading edge property solutions.

Aspen directly owns and manages a well diversified portfolio of commercial property assets Australia-wide. The portfolio is spread across the office, industrial and retail sectors and has grown through acquisitions and portfolio revaluations of existing properties driven by a strong property management focus.

Aspen also has developed an outstanding reputation for creating unique and successful funds management products and related services. These managed funds have provided investment opportunities across a broad spectrum of property sectors including tourist parks, residential land subdivisions, CBD office developments, private hospital developments and retirement and accommodation villages.

Aspen continues to source acquisition opportunities for both balance sheet and syndication purposes in order to achieve further growth in both assets and earnings for security holders.

Website www.aspengroup.com.au