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SALE OF ALCOA BUILDING

Aspen Group is pleased to announce that it has executed a binding contract for the sale of its Alcoa Office Building in Booragoon, Western Australia.

The key commercial terms of the sale transaction are outlined below:

- Sale price of $28.25 million
- A deferred settlement of $3 million of the consideration for 30 months
- The deferred component is secured by way of a second mortgage and parent company guarantee and attracts a coupon of 5.25% per annum
- Settlement date of 1 May 2012

The sale price represents a small premium to the 30 June 2011 book value of $28 million, or equates to book value when assessing the net present value position of the transaction.

Managing Director Mr Gavin Hawkins said the sale was in line with the Group’s strategy of looking to improve the quality of its portfolio, and at the same time strengthening its balance sheet position, through the selective sale of non-core assets.

“The sale of the Alcoa Office Building is an excellent outcome for Aspen, allowing the Group to capitalise on the current strength of the Perth office market to enhance our capital management position. It provides Aspen with additional flexibility in the coming year to consider a range of capital management initiatives, including a buy-back of securities, if current market conditions persist.

“The sale for $28.25 million also provides a very healthy 64% increase over the original acquisition price in 2003 of $17.35 million, demonstrating the Group’s capacity to create long term value for securityholders.”

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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 has progressed to now be a member of the S&P/ASX 300 index with assets under management in excess of A$1.3 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 look for 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