Aspen Group Limited
ABN 50 004 160 927

Aspen Property Trust
ARSN 104 807 767

Level 18, 9 Hunter Street
Sydney NSW 2000

Telephone: 02 9151 7500
Facsimile: 02 9151 7599

Email: homemail@aspengroup.com.au

MARKET RELEASE

ASX ANNOUNCEMENT
30 October 2015

Rejects asset acquisition offer

Aspen Group (ASX:APZ) today announces that on 29 October 2015 it received a non-binding offer from Discovery Group to acquire Aspen Group's five accommodation assets.

The offer price was $62 million, which represents the approximate current carrying value.

Aspen Group does not believe that this offer represents an appropriate sale price, especially in the context of the Sunsuper/Discovery Unsolicited Offer for APPF at an approximately 15% premium to most recent asset valuations and also in the context of Aspen Group as a whole, and has therefore rejected the offer. A copy of this unsolicited offer is attached.

End

For further information please contact: Clem Salwin Chief Executive Officer Phone: (+61) 2 9151 7500 Email: clems@aspengroup.com.au	*For media enquiries:* David Tasker Professional Public Relations Phone: (+61) 8 9388 0944 Mobile: (+61) 433 112 936 Email: david.tasker@ppr.com.au

29th October 2015

Frank Zipfinger
Chairman
Aspen Group Ltd
Level 18, 9 Hunter Street, Sydney NSW 2000

Non-binding offer to acquire certain Aspen Group assets

Dear Frank,

I am writing on behalf of the Discovery Group ("Discovery") to provide a non-binding indicative offer to acquire a portfolio of assets currently owned by the Aspen Group ("APZ"). Whilst I understand that the board of APZ have not specifically solicited any offers for these assets, we believe APZ security holders, and consequently the board of APZ, may wish to consider all options in light of Discovery's takeover offer for APPF. We have therefore taken the liberty of formulating what we believe to be a compelling offer for the park assets owned directly by APZ.

The Offer

As you know, Discovery owns and operates accommodation and holiday parks throughout Australia and as a result of this has a strategic interest in the following portfolio of assets currently owned by APZ (the "Portfolio"):

- Aspen Karratha Village, Karratha, WA
- Four Lanterns Estate, Leppington, NSW
- Mandurah Gardens Estate, Mandurah, WA
- Tomago Van Village, Tomago, NSW
- Adelaide Caravan Park, Hackney, SA

Our offer is to acquire the Portfolio for $62m (exclusive of GST), subject to limited conditionality (the "Portfolio Offer"). The Portfolio Offer is made with reference to publicly available information. At this price, we believe that this offer should be of substantial interest to APZ and its security holders.

Discovery wishes to enter into a short period of exclusivity with APZ in relation to the Portfolio Offer, during which it would conduct an efficient due diligence exercise. This offer has been approved by the Board of Discovery Parks.

It is intended that Discovery would pay a meaningful deposit on execution of a Sales Contract and settlement would occur 30 days after.

A proposed heads of agreement detailing the above terms and others is appended to this letter.

Value of the Offer to APZ security holders

The Portfolio Offer price represents cash liquidity for APZ security holders in respect of ~38% of the market capitalization of APZ (as at 28th October).

This Portfolio Offer is entirely separate from the takeover offer that Discovery has made for Aspen Parks Property Fund ("APPF") at a price of $0.58 per APPF stapled security and nothing in this letter has any bearing on that takeover offer. However, Discovery continues to believe that this offer for APPF is very attractive for all security holders, including APZ.

I would note that if APZ were to accept the takeover offer for its interests in APPF, it would receive ~$57m of cash. Combined with the Portfolio Offer outlined in this letter, APZ would receive an aggregate ~$118m of cash representing ~74% of APZ's market capitalization as at close of trading on 28th October 2015.

We believe that Discovery's interest in APZ's various assets through its separate Portfolio Offer and takeover offer for APPF represent a very material liquidity opportunity for APZ security holders.

Other assets within APZ

Discovery has no interest in APZ's other balance sheet assets (including, in particular, Spearwood South) or its various other assets and liabilities. Discovery is, naturally, interested in managing APPF at the end of the current property management contract in April 2019. However we would be pleased to have a conversation with APZ regarding the existing property management arrangements for APPF, which have just over 3 years to run, if that were to be of interest to APZ.

I would be very grateful if you and your fellow APZ board members would consider this indicative offer and let me know how you would like to engage in relation to this opportunity.

Yours sincerely,

Chester Moynihan

Chairman, Discovery Group