

ASX Announcement

18 January 2011

Minimal Flood Exposure for AEU

Australian Education Trust (AET) (ASX:AEU) provides the following update regarding AET's potential exposure to the recent floods in Queensland, New South Wales and Victoria.

AET owns approximately 250 properties across these three states with a wide geographic spread across each. The initial assessment by Management of potential damage to the portfolio has taken some days given the number of locations and the scale of the flood affected areas, together with access difficulties at many sites.

Management can now confirm that as at 2pm yesterday only one site, being a site in Queensland, has been identified as being severely affected by the floods. The site will remain closed until rectification works are complete. In addition, a small number of sites have been identified as having some water damage which is relatively minor in nature. Based on the information provided, Management expects that those centres with minimal damage should not be prevented from trading due to water damage.

AET holds appropriate insurance cover for the effect of floods on its properties, although like all insurance policies, it is limited to a finite amount per property. At this point, it cannot be established if the damage to the one site severely affected by flooding will fall within the policy limit.

Unitholders should note that the sites have not been formally inspected by AET and Management is reliant on the information provided by third parties including AET's tenants. As the flood affected areas progress through their rebuilding it is possible damage over and above that already noted becomes apparent. Further, as the floods progress, they may potentially affect AET sites that are currently considered unaffected however, no sites have been identified as being within any potential flood zone at this time.

Management will issue a further update should there be a material change to the information provided herein.

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Further information

The Australian Education Trust internet site, www.educationtrust.com.au is a source of information for unitholders. It includes details of AET and its Manager, announcements, current activities and historical information. The site provides access to annual and half-year reports and also contains releases made to the Australian Securities Exchange covering matters of relevance to investors.