NEWS RELEASE

APEI Announces Limited Distribution of APEI Shares by ABS Capital Partners

2008-08-21

CHARLES TOWN, W.Va.--(BUSINESS WIRE)--Aug. 21, 2008--American Public Education, Inc. (NASDAQ: APEI) - parent company of online learning provider American Public University System, which operates through American Military University and American Public University - announced today that it has been informed by its largest shareholder, ABS Capital Partners, that the shareholder is undertaking a limited distribution of 400,000 shares to its partners.

CEO Wally Boston commented that: "ABS Capital Partners informed us today that they are taking this action, which is intended to bring their ownership below 25% of the company and which under U.S. Department of Education regulations is deemed to be a change in ownership and control requiring review by the Department in order for APUS to reestablish eligibility and continue participation in the federal student financial aid programs. As we have previously disclosed, we viewed it as inevitable that ABS Capital Partners would go below the 25% level, and now that they are taking this action we will be able to move forward with the required regulatory process that, when completed, will remove a regulatory hurdle that otherwise creates timing and execution constraints to certain future financings and acquisitions we may undertake. We will formally notify the Department of Education of this distribution and the deemed change in ownership and control. We expect that the Department's formal review process will be completed by the end of September. Based on Department regulations and consultation with the Department, we currently expect that APUS will move back into provisional status with respect to participation in federal student financial aid programs. While provisional status will mean certain enhanced regulatory reviews and processes, at this time we do not expect it to have an impact on our business results. Since we moved off provisional status earlier this summer, we received approval for several new degree programs including our Education programs, and we do not expect our current plans for growth will be affected by moving back to provisional status." Additional information on certification by the Department of Education and the impact of provisional certification is contained in Item 1 of APEI's Annual Report on Form 10-K under the heading "Regulation of our Business."

ABS Capital Partners Managing General Partner Phil Clough stated: "The purpose of this limited distribution is simply to move our holdings below the 25% ownership threshold that the Department of

Education uses to define a controlling shareholder. We carefully considered the right time to conduct this transaction so as not to interfere with management's goals for the year, including the recently announced approval of new education degrees and programs. We felt it would be in the best interest of the company to proactively move below the Department's controlling shareholder threshold so that this inevitable administrative process occurred at a time and in a manner that was least likely to interrupt the company's business plans. We have no current plan for further distributions." Following the distribution, ABS Capital Partners continues to hold 4.2 million shares, and Phil Clough remains as Chairman of the APEI Board of Directors.

Forward-looking Statements

Statements made in this press release regarding American Public Education, or its subsidiaries, that are not historical facts are forward-looking statements based on current expectations, assumptions, estimates and projections. These forward-looking statements are subject to risks and uncertainties that could cause actual future events or results to differ materially from such statements. Forward-looking statements can be identified by words such as "anticipate", "believe", "could", "estimate", "expect", "intend", "may", "should", "will" and "would". These forward-looking statements include, without limitation, statements about Department of Education review, provisional certification, future growth and business objectives and actions by ABS Capital Partners. Actual results could differ materially from those expressed or implied by these forward-looking statements as a result of various factors, including the various risks described in the "Risk Factors" section and elsewhere in the company's Annual Report on Form 10-K for the year ended December 31, 2007 as filed with the SEC. The company undertakes no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

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