

**GROEN BROTHERS AVIATION ENTERS COOPERATIVE JOINT VENTURE  
AGREEMENT FOR PRODUCTION IN CHINA OF LIGHT GYROPLANES**

Salt Lake City, Utah – January 15, 2011 – Groen Brothers Aviation, Inc. (“GBA”) (stock symbol “GNBA”), announced that its wholly owned subsidiary, Groen Brothers Aviation International, LLC (“Groen LLC”), formed to participate in the joint venture, has entered into an agreement with Guangzhou Suntrans Aviation Science and Technology Co., Ltd. (“Suntrans”) to form a Cooperative Joint Venture (“CJV”). The CJV will be named Foshan Suntrans-Groen Aviation Co., Ltd. (“FSG Aviation”).

The CJV will be a limited liability company formed under the laws of the Peoples Republic of China whose purpose is to produce in China for sales worldwide, light gyroplanes based upon GBA’s SparrowHawk design. The agreement generally provides for FSGA to assemble, manufacture, sell, and provide related services for GBA’s SparrowHawk Gyroplane Program, including the most advanced version of the SparrowHawk aircraft developed to date, the SparrowHawk III. It is expected that FSG Aviation will reintroduce the SparrowHawk III Kit into the US and world markets, followed over the next few years by a fully assembled light gyroplane using technology transferred by GBA to the CJV.

The agreement for the CJV will come into force upon the approval of the appropriate Chinese regulatory authorities for which the parties are in the process of preparing the necessary papers.

The total amount of registered capital of the Joint Venture will be Chinese Renminbi (“RMB”) 100 Million (approximately US\$14.7 million). Under the terms of the agreement, Suntrans will contribute RMB 75 million (approximately US\$11 million) to the Joint Venture in cash and hold 75% of the shares in FSG Aviation; in return for its contribution of the SparrowHawk Program and transfer of certain advanced gyroplane technology, Groen LLC will hold 25% of the shares valued at RMB 25 million (approximately US\$3.67 million).

GBA considers the formation of this Joint Venture particularly of value because the Chinese government has announced that it has begun a program to open to the public, Chinese airspace below 3,000 meters. “An aircraft that’s easy and safe to fly, highly maneuverable and needing only a very short runway, which is essentially what the SparrowHawk Gyroplane is, ought to be very popular in China, as the country opens up to a new generation of private pilots,” said GBA’s Vice President of Business Development, Al Waddill, “especially since demand for personal aircraft should be far beyond the capability of China’s current general aviation infrastructure.”

**About Groen Brothers Aviation, Inc.**

Groen Brothers Aviation, Inc. has been developing gyroplane technology since 1986 and is recognized as the world’s leading authority on sustained autorotative flight. Powered by a Rolls-Royce gas turbine engine, GBA developed the world’s first commercially viable modern gyroplane - the first “autogiro” to utilize a jet engine - the Hawk 4 Gyroplane. The Hawk 4 was used extensively for security aerial patrol missions during the 2002 Winter Olympics in Salt Lake City.

GBA announced in October 2005 that DARPA, an arm of the United States Department of Defense, awarded a contract to GBA to form and lead a team to design a proof of concept high speed, long range, vertical takeoff and landing (VTOL) aircraft designed for use in Combat Search and Rescue roles. This modern rotorcraft, named by DARPA as the "Heliplane," is designed to exploit GBA's gyrodyne technology; offering the VTOL capability of a helicopter, the fast forward flight of an airplane, and the safety, simplicity and reliability of a GBA gyroplane. GBA completed Phase I of the Heliplane contract and also participated as a subcontractor to Georgia Institute of Technology for tip-jet noise reduction work for Phase IB, which was also successful. To date DARPA has not announced funding for Phase II and the future involvement of the Company in the DARPA contract is unknown. The Heliplane could be the next generation rotor wing aircraft, meeting economy and performance goals not considered achievable by any other type of VTOL aircraft.

Further information about the Company, its products, and individual members of the GBA Team is available on the Company's web site at: [www.groenbros.com](http://www.groenbros.com).

### *Safe Harbor Statement/Forward-Looking Information Disclaimer*

*Certain statements in this news release by Groen Brothers Aviation are forward-looking within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking information is subject to risk and uncertainty. Certain statements in this Press Release may contain forward-looking information that involves risk and uncertainty, including but not limited to, the Company's ability to fund ongoing operations and to complete its obligations under the government contract and its other ongoing commitments. Future results and trends depend on a variety of factors, including the Company's successful execution of internal performance plans and agreements; product development and performance; risks associated with regulatory certifications of the Company's commercial aircraft by U.S. and foreign governments; government bid and funding availability uncertainty; other regulatory uncertainties; performance issues with key suppliers and subcontractors; governmental export and import policies; and the ability to adequately finance operations including meeting its debt obligations, fund manufacturing and delivery of products.*

