

GBA News

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**FOR FURTHER INFORMATION
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GROEN BROTHERS AVIATION ANNOUNCES RETRENCHMENT

Salt Lake City, Utah – May 30, 2008 – Groen Brothers Aviation, Inc. (“GBA”) (stock symbol “OTCBB: GNBA”), engaged in the business of designing and developing new technology gyroplane and gyrodyne rotor-wing aircraft for military and commercial uses, has announced that following the delays in its Heliplane program for DARPA and current conditions in capital markets, it is undertaking cost-cutting measures that it hopes will allow it to continue to develop its technology on a reduced scale. Therefore, GBA has effected a reduction in force that reduces its employee work force by two-thirds, and is reducing other expenditures as well. In the mean time, the Company is negotiating with investors for additional funding that if successful, will allow it to continue its technology development while it negotiates new contracts for its technology. Even though management remains optimistic, there is no guarantee that the negotiations for essential new funding will be successful.

For the last two and a half years, GBA’s business plan has been primarily based on developing gyrodyne technology for military applications under a multi-million dollar four-phase DARPA program called ‘Heliplane’ awarded to GBA in November 2005. The Heliplane program called for the Company to design and develop a next generation vertical take-off and landing (VTOL) demonstrator rotorcraft capable of a speed of 400 mph and a range exceeding 1000 miles. The GBA led team includes Georgia Tech for analytical support, Williams International as engine manufacturer, a highly-renowned team of aerospace consultants and, initially, Adam Aircraft as manufacturer of the fuselage.

The Company is nearing the end of Phase I of the Heliplane project. Although technical progress in the project has been most encouraging, the timetable for the program has proceeded more slowly than anticipated, due in part to the funding challenges that a small company faces in a fixed-price government contract. This has been exacerbated by the bankruptcy of Adam Aircraft in January, requiring its replacement by another airframe supplier, causing further delay and financial pressures on the Company. Continuation of the Heliplane program beyond the end of Phase I is not yet known.

GBA has also been actively seeking to find partners for the certification and production of its advanced turbine-engine powered Hawk 5 Gyroplane, principally with parties in Spain and Korea. While good progress has been made with these entities, it is not likely to provide sufficient positive cash flow to address the

Company's short-term needs. The alternative course for the Hawk 5 Gyroplane entry into the marketplace through investors in Korea, although at an earlier stage, has greater funding potential and is therefore also being pursued aggressively. The Korean investors have also expressed interest in the development of commercial passenger GyroLiner aircraft, capable of vertical takeoff and speeds significantly faster than a helicopter, as well as smaller two-seat gyroplanes for personal transport.

The Company's present revenue, beyond the Heliplane project, has been derived from the production of its two-seat kit gyroplane called the SparrowHawk III Quick Build that incorporates the Company's unique understanding of gyroplane flight. The Company recently introduced this improved model of the SparrowHawk, designed to significantly ease the build process and reduce the time needed to assemble the kit. The kit aircraft business aimed at customers for their personal use is, however, not fully compatible with the design manufacture and marketing of more sophisticated aircraft required by military and commercial customers.

For this reason, having developed the SparrowHawk III Quick Build and its associated manufacturing, quality, and marketing requirements, GBA is seeking to sell the program to a third party while still continuing to provide technical and other support for a significant transition period, for the new owner. If this sale is accomplished, it could provide GBA with the funding necessary to allow the Company to resume its participation in the DARPA Heliplane project if and when it restarts, and continue to pursue its desired agreements with Korea and/or Spain.

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.

Safe Harbor Statement/Forward-Looking Information Disclaimer

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