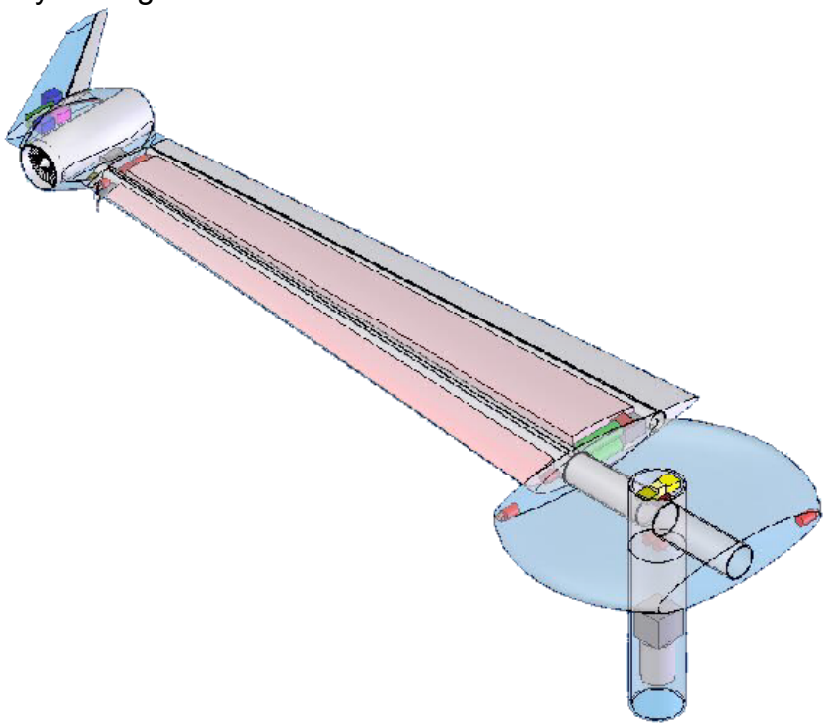
Various presentations, animations, a model video and a 76-page business plan have been completed. They will be provided to interested investors.

A patent search from 1976 to the present revealed nothing remotely similar to the Blade Flyer. It is a revolutionary advance for vertical takeoff and landing flight vehicles, yet no new technology is required to make Blade Flyers. What is unique about a Blade Flyer is the combination and configuration of its component technologies, which provide excellent vertical lift and hover capability, efficient high forward speed, pilot skill reduction, inherent remote or automated piloting, payload independence and interchangeable modules for economy of mass production.

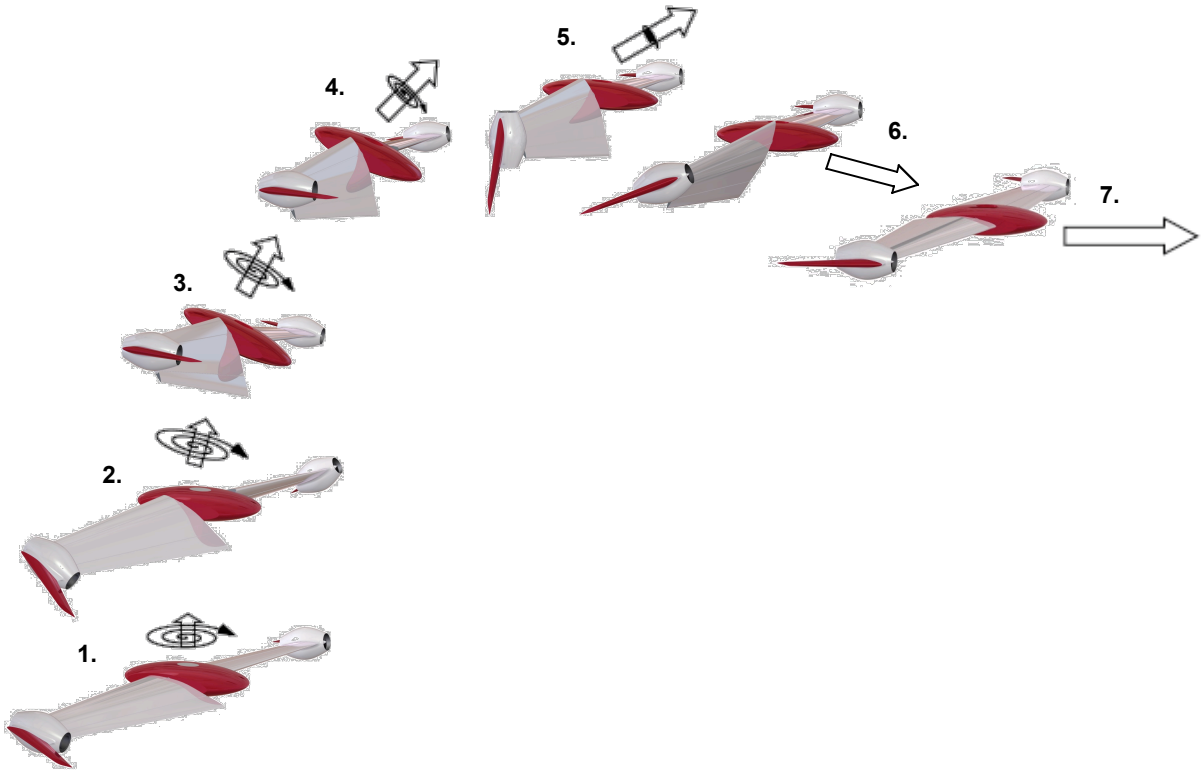
A non-published patent application has been accepted. The Defense Agency Research Agency (DARPA) considers the Blade Flyer a "unique and innovative rotor technology." The Blade Flyer is a rotary wing concept that finally puts the engines, fuel and flight control where they belong: in the blades.



This eliminates the costly maintenance and failure associated with swash plates, shaft seals, and the counteraction of engine torque typical of Vertical Take-Off and Landing (VTOL) designs. Completely separating the transportation system from its payload makes the applicability of the Blade Flyer virtually unlimited. It is fully scalable from miniature Unmanned Air Vehicles (UAVs) to heavy left vehicles.

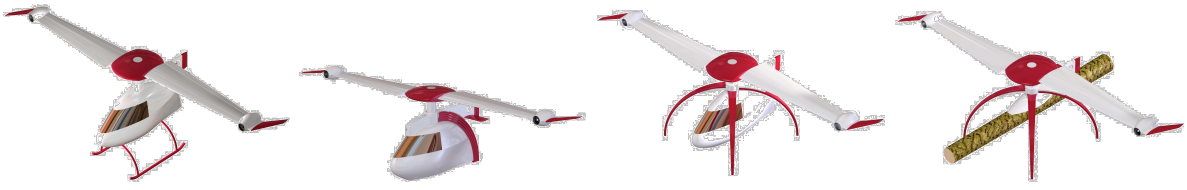
Furthermore, freeing the blades and engines to rotate around the quarter-chord axis allows the Blade Flyer to transition to and from conventional flight using the same components used for vertical flight. Unlike other dual mode vehicles, the Blade Flyer is efficient in both flight modes. As its horizontal velocity increases, it automatically wants

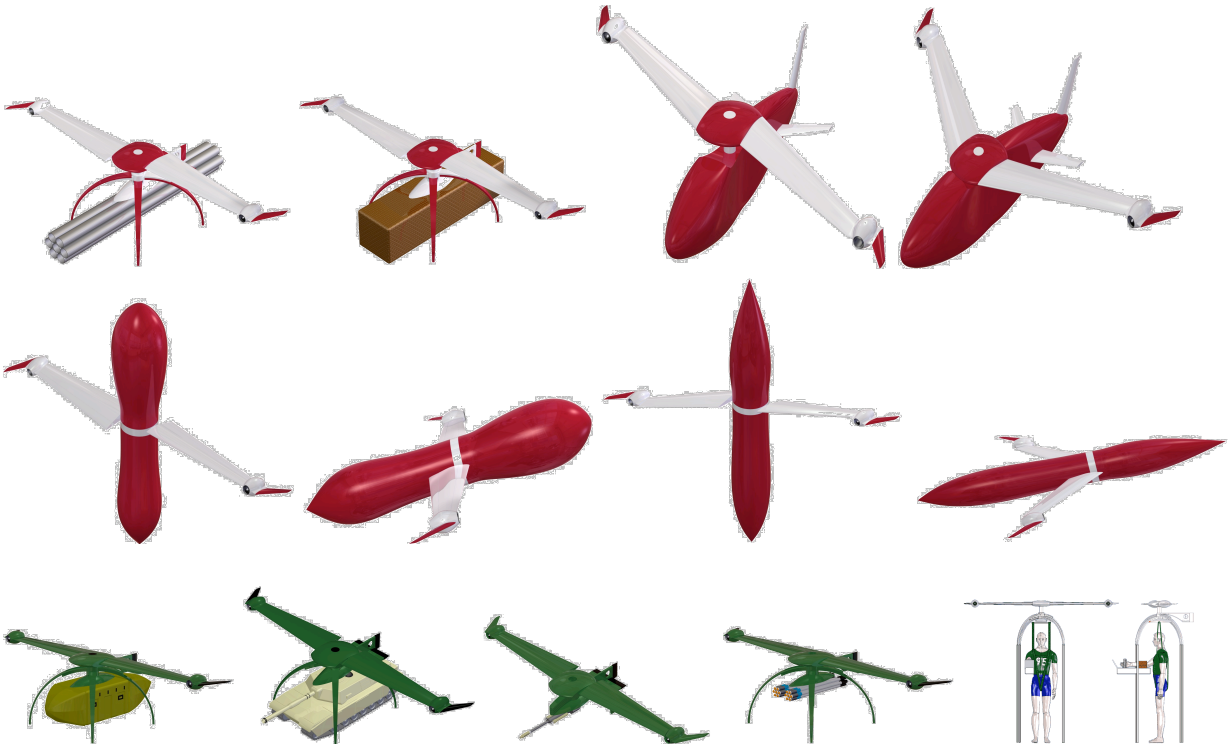
to transition to its horizontal flight configuration.  That transition is enabled without roll with a shallow dive, and stabilized with camber adjustments.




As its horizontal velocity decreases to a stall, the blades and engines orient down, and transition to vertical flight mode is initiated with a flap pulse that causes blade rotation, and stabilized with camber adjustments as the engines increase rotational velocity.

The same Blade Flyer concept can be used in a wide variety of configurations from subsonic to supersonic with conventional fuselages and human and pilot payloads, or without.  Imagine a rotary wing that flies by itself without a fuselage or the complexity and fatigue problems of conventional helicopters.  Imagine it scaled to hoist or connect to a variety of payloads from miniature reconnaissance equipment to a harnessed individual, logs, shipping containers or fuselages for human and other cargo.





To minimize risk and allow investors or owners to sell the assets to a manufacturer or investment group at each transition, a multi-phased approach is envisioned.

**Phase 1** is the proof of concept (less than 7-foot rotor diameter) - cost in US$.

| | |
|---|---|
| Supplier: | ESAero |
| Cost: | 3 million |
| Sale: | 70 million |
| Investor one-time profit: | 60 million |

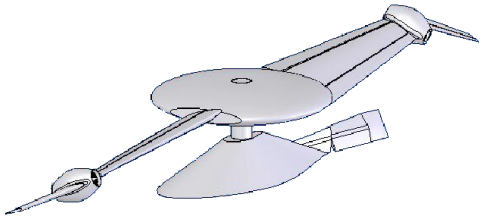
**Phase 2** is the design, development and mass production of an autonomous air vehicle capable of a 100 pound payload to capture 60% of the US$ 38 billion global UAV market; US$ 47 billion if package delivery is included.

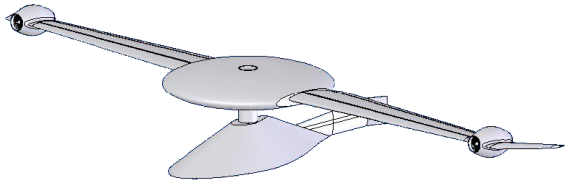
| | |
|---|---|
| Supplier: | Blade Flyer (new company) |
| Develop | 5 million |
| Refine design for mass-production | 1 million |
| Design mass-production facility | 4 million |
| Acquire and equip mass-production facility | 22 million |
| Fund initial materials, labor and marketing | 8 million |
| Total | 40 million |
| Annual Sales: | 22,800 to 28,200 million |
| Investor annual profit after second year: | 1,140 to 1,410 million |

**Phase 3** and subsequent phases are the design, development and production of larger and faster Blade Flyers using the cash flow from Phase 2.

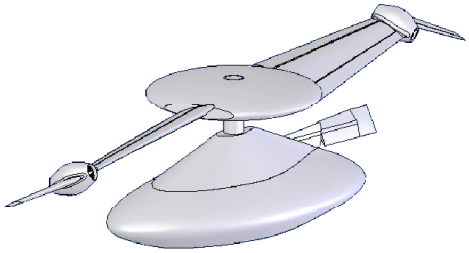
Below is a Blade Flyer sized to capture 60% of the UAV market. It measures 176 inches from engine vane tip to tip. It is shown below in vertical flight mode and horizontal flight mode with a 2,700 cubic-inch equipment module to provide the services

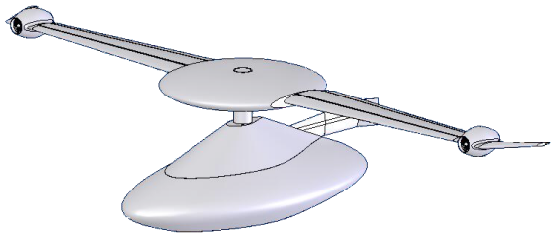
and volume common to most UAV applications, including remotely piloted or fully autonomous operation. The equipment module orientation device uses blade down-wash during vertical flight and a rudder during horizontal flight to alter the yaw of the equipment module relative to the flight direction for news, surveillance and similar applications.





Additional payload can be accommodated in a 21,200 cubic-inch payload container attached to the equipment module as shown below. It is sized for the package delivery market.





Payloads incompatible with the container can be suspended from or hoisted and secured to the bottom of the equipment module.

A tower-based refueling probe that penetrates through the container and equipment module into the hub can be used as a perch for parking while awaiting orders. A similar probe can be attached to the hub for Aerial refueling. The aerial refueling probe can also be used as a connector, so a column of Blade Flyers can lift payloads heavier than 100 pounds.

If your are interested in participating in this venture, please notify me.

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