



# Gold Reserve Inc.

NR-07-07

## **GOLD RESERVE INC. CLOSSES CONCURRENT CROSS-BORDER PUBLIC OFFERINGS**

**May 18, 2007 - Gold Reserve Inc.** (TSX:GRZ – AMEX:GRZ) announced today that it has closed its previously announced concurrent cross-border public offerings of US\$90,000,000 aggregate principal amount of its 5.50% Senior Subordinated Convertible Notes due 2022 ("Convertible Notes") and 12,800,000 Class A common shares ("Common Shares") at US\$5.80 per share (Cdn\$6.42 per share) for gross proceeds to the Company of US\$164,200,000. Aggregate net proceeds from the offerings were approximately US\$154,775,000 after deducting underwriting fees and estimated offering expenses.

The Company has granted to the underwriters an option for a period of 13 days to purchase up to an additional US\$13,500,000 principal amount of its Convertible Notes and an option for a period of 30 days to purchase up to an additional 1,920,000 Common Shares at US\$5.80 per share, in each case, to cover over-allotments, if any. If the underwriters fully exercise the over-allotment options to purchase additional Convertible Notes and Common Shares, Gold Reserve will receive additional net proceeds of approximately US\$23.4 million after deducting underwriting fees.

The Convertible Notes were offered and sold to the public at their stated principal amount (US\$1,000 per Convertible Note) and will have a semi-annual cash interest coupon of 5.50% per year. Each US\$1,000 principal amount of Convertible Notes will be convertible at the option of the holder into 132.6260 Common Shares, subject to adjustment, representing an initial conversion price of US\$7.54.

J.P. Morgan Securities Inc. and RBC Capital Markets acted as joint book running managers for the offerings with Cormark Securities Inc. acting as co-manager.

The Company intends to use the net proceeds from the offerings to fund construction activities, equipment purchases and ongoing development of its Brisas project.

Copies of the prospectuses relating to the Convertible Notes and the Common Shares may be obtained from the underwriters or their respective U.S. or Canadian affiliates as follows: J.P. Morgan Securities Inc. at National Statement Processing, Prospectus Library, 4 Chase Metrotech Center, CS Level, Brooklyn, NY 11245, telephone: 718-242-8002; RBC Capital Markets - in Canada, call 416-842-5345, in the U.S., RBC Capital Markets Corporation, Attention: Prospectus

Department, One Liberty Plaza, 165 Broadway, New York, NY, 10006, (fax requests - 212-428-6260); or Cormark Securities Inc. - in Canada, call 416-943-6405, in the U.S., call 1-800-461-2275.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

The Company has been engaged in the business of exploration and development of mining projects since 1956, and is presently focusing its management and financial resources on its most significant asset, the Brisas gold and copper project, located in Bolivar State, Venezuela.

Certain statements included herein, including those that express management's expectations or estimates of our future performance, constitute "forward looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. Forward looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management are inherently subject to significant business, economic and competitive uncertainties and contingencies. We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risk factors that may cause the actual financial results, performance, or achievements of Gold Reserve to be materially different from our estimated future results, performance, or achievements expressed or implied by those forward looking statements. These are discussed in greater detail in Gold Reserve's filings with the U.S. Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov) and the Annual Information Form and other reports filed with Canadian provincial securities commissions at [www.sedar.com](http://www.sedar.com). Gold Reserve expressly disclaims any intention or obligation to update or revise any forward looking statement whether as a result of new information, events or otherwise.

**FOR FURTHER INFORMATION:**

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