



Gold Reserve Inc.

NR-07-09

GOLD RESERVE INC. CLOSES UNDERWRITERS EXERCISE OF OVER-ALLOTMENT OPTION

May 29, 2007 - Gold Reserve Inc. (TSX:GRZ – AMEX:GRZ) announced today that it has closed the previously announced exercise by the underwriters of their over-allotment options to purchase an additional US\$13,500,000 principal amount of senior subordinated convertible notes (“Convertible Notes”) and 962,300 Class A common shares (“Common Shares”) at US\$5.80 per share. The Company will receive aggregate net proceeds from the exercise of the over-allotment options of approximately US\$18 million after deducting underwriting fees and estimated expenses.

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

The Company granted the over-allotment options to the underwriters in connection with the Company’s May 18, 2007 public offering of Convertible Notes and Common Shares. The Convertible Notes were offered and sold to the public at their stated principal amount of US\$1,000 per Convertible Note and have a semi-annual cash interest coupon of 5.50% per year. Each US\$1,000 principal amount of Convertible Notes is 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.

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 and the Annual Information Form and other reports filed with Canadian provincial securities commissions at 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.

On Behalf of the Board of Directors

A. Douglas Belanger, President
926 W. Sprague Ave., Suite 200
Spokane, WA 99201 USA
Tel. (509) 623-1500
Fax (509) 623-1634