



Gold Reserve Inc.

NR-08-10

GOLD RESERVE ANNOUNCES SALE OF CERTAIN EQUIPMENT

SPOKANE, WASHINGTON October 10, 2008

Gold Reserve Inc. (TSX:GRZ – AMEX:GRZ) announced it has agreed to sell one SAG mill, two ball mills (35,000 tonne per day through-put) and related motors currently being manufactured for the Company's Brisas Project. The total value of this transaction is approximately \$43 million. The Company will recover approximately \$18 million of progress payments and the purchaser will assume the Company's remaining payment obligations related to the equipment of approximately \$25 million.

The Company's decision is consistent with its intention to stay financially strong by recovering amounts already paid and reducing future obligations. The sale of this equipment is not expected to impact the start-up of the Brisas Project to the extent the current delays in Venezuela are resolved. The Company will continue its manufacturing commitment for one SAG mill and two ball mills, related motors and peripheral equipment, demonstrating our current commitment to the Brisas Project. Initially, the Brisas Project would be expected to proceed with reduced capital costs and 35,000 tonnes per day through-put as a result of this sale. This modification should not impact the Company's ability to increase production to 70,000 tonnes per day through-put or greater thereafter.

Doug Belanger, President, stated, "The sale of this equipment reduces our near-term financial burden, but still allows us to initiate the Brisas Project to the extent the current delays related to Brisas are resolved. We are continuing our support of various social, cultural, health and environmental programs in the immediate and surrounding areas near Brisas, further demonstrating our commitment to the Brisas Project. At the request of MinAmb and MIBAM, we have prepared a number of proposals over the past months to assist in responding to the Government's concerns related to mining in the Imataca Forest Reserve and the K-88 area. We continue to believe that the Brisas Project could be an active participant in facilitating the ultimate resolution to the issues identified by MinAmb and MIBAM. Subsequent to the completion of this transaction the Company will hold cash and investments of approximately \$120 million or over \$2 per outstanding share."

Gold Reserve Inc. is a Canadian company, which holds the rights to the Brisas gold/copper project and the Choco 5 gold exploration property in Bolivar State, Venezuela. For the Company's periodic TSX (SEDAR) or SEC (Edgar) filings please visit our website at www.goldreserveinc.com under the Investor Relations section.

On Behalf of the Board of Directors

Gold Reserve Inc.

A. Douglas Belanger, President

Certain statements included herein, including those that express management's expectations or estimates of our future performance concerning the Brisas Project 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 at this time, 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 risks that may cause the actual financial results, performance, or achievements of Gold Reserve Inc. to be materially different from our estimated future results, performance, or achievements expressed or implied by those forward-looking statements. Numerous factors could cause actual results to differ materially from those in the forward-looking statements, including without limitation, concentration of operations and assets in Venezuela; corruption and uncertain legal enforcement; requests for improper payments; regulatory, political and economic risks associated with Venezuelan operations (including changes in previously established legal regimes, rules or processes); the ability to obtain or maintain the necessary permits or additional funding for the development of the Brisas Project; in the event any key findings or assumptions previously determined by us or our experts in conjunction with our 2005 bankable feasibility study (as updated or modified from time to time) significantly differ or change as a result of actual results in our expected construction and production at the Brisas Project (including capital and operating cost estimates); risk that actual mineral reserves may vary considerably from estimates presently made; impact of currency, metal prices and metal production volatility; fluctuations in energy prices; changes in proposed development plans (including technology used); our dependence upon the abilities and continued participation of certain key employees; and risks normally incident to the operation and development of mining properties. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Investors are cautioned not to put undue reliance on forward-looking statements. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice. The Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

FOR FURTHER INFORMATION:

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