



Gold Reserve Inc.

NR-10-04

GOLD RESERVE INC. SUBMITS \$1.928 BILLION ARBITRATION CLAIM TO WORLD BANK'S ICSID

SPOKANE, WASHINGTON September 28, 2010

Gold Reserve Inc. (TSX:GRZ – NYSE-Amex:GRZ) announced today it has filed its arbitration claim against the Bolivarian Republic of Venezuela with the World Bank's International Centre for Settlement of Investment Disputes ("ICSID"), in accordance with the provisions of the Canada-Venezuela Bilateral Investment Treaty ("BIT").

Gold Reserve's claim alleges violations of three provisions of the Canada-Venezuela BIT culminating in the effective expropriation of Gold Reserve's sizable investments in the world-class Brisas gold/copper project and the promising Choco 5 gold property.

Gold Reserve believes three breaches of the Canada-Venezuela BIT occurred: (1) Article II - Failure to provide fair and equitable treatment and full protection and security, (2) Article III – Failure to guarantee treatment on no less favorable terms than provided to nationals of any other State, and (3) Article VII – Protection against expropriation of investments without due process of law, on a discriminatory basis, without a legitimate public purpose, and without proper compensation.

Gold Reserve seeks compensation for all of its losses caused by Venezuela's breaches of the BIT, including the full value of its investments in the Brisas Project and in Choco 5 prior to Venezuela's breaches of the BIT, and other related damage. As of September 24, 2010, Gold Reserve values its damages at a minimum in the amount of \$1.928 billion, equivalent to approximately \$30 a share.

Doug Belanger, President, stated, "The filing of the Memorial that supports the claim is the result of several months of extensive effort by counsel, technical, legal and financial experts and Company personnel. The Brisas Project and the promising Choco 5 exploration property were significant assets to the shareholders of the Company. We worked extremely hard to maximize the value of these projects for the shareholders, stakeholders, and local beneficiaries in Venezuela. Venezuela has obviously decided to take another path regarding the Brisas Project. As a result of the unfortunate actions taken by Venezuela in violation of the BIT, we are prepared to vigorously pursue a decision in this case for our shareholders and stakeholders. We remain ready, however, to evaluate and possibly enter into an amicable settlement that would compensate us for our losses and allow the project or projects to proceed on a fast track basis. Any

settlement would be accepted only if it were beneficial to the shareholders and stakeholders of the Company.”

Further written submissions are scheduled to be made during 2011 and the oral hearing in the case is scheduled to commence on December 5, 2011.

Please visit our website at www.goldreserveinc.com under Investor Relations: SEDAR Filings or SEC Filings.

FORWARD-LOOKING STATEMENTS

This release contains forward-looking statements that state Gold Reserve’s or its management’s intentions, hopes, beliefs, expectations or predictions for the future. In this release, 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 outcomes, financial results, performance, or achievements of Gold Reserve to be materially different from our estimated outcomes, 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: the outcome of our arbitration under the Additional Facility Rules of the International Centre for Settlement of Investment Disputes of the World Bank, in Washington D.C. to determine compensation claimed by us resulting from our claims against the Venezuelan government and its agents and agencies; corruption and uncertain legal enforcement; political and social instability; requests for improper payments; competition with companies that are not subject to or do not follow Canadian and U.S. laws and regulations; regulatory, political and economic risks associated with Venezuela including changes in laws and legal regimes; the result or outcome of the litigation regarding the enjoined hostile takeover bid for us; impact of currency, metal prices and metal production volatility; our dependence upon the abilities and continued participation of certain key employees; the value of our 5.50% senior subordinated convertible notes due on June 15, 2022 and potential volatility of our Class A common shares (also referred to herein as “Common Shares”), including potential dilution as a result of the conversion of the convertible notes into our common shares by either us or the holder; the prospects for exploration and development of alternative projects by us; and risks normally incident to the exploration, development and operation of mining properties.

This list is not exhaustive of the factors that may affect any of Gold Reserve’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 Gold Reserve or persons acting on its behalf are expressly qualified in their entirety by this notice. Gold Reserve disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, subject to its disclosure obligations under applicable rules promulgated by the U.S. Securities and Exchange Commission (the “SEC”).

In addition to being subject to a number of assumptions, forward-looking statements in this release involve known and unknown risks, uncertainties and other factors that may cause actual results and developments to be materially different from those expressed or implied by such forward-looking statements, including those factors outlined in the "Cautionary Statement Regarding Forward-Looking Statements" and "Risks Factors" contained in Gold Reserve's filings with the Canadian provincial securities regulatory authorities and U.S. Securities and Exchange Commission, including Gold Reserve's Annual Information Form and Annual Report on Form 10-K for the year ended December 31, 2009, filed with the Canadian provincial securities regulatory authorities and U.S. Securities and Exchange Commission, respectively.

FOR FURTHER INFORMATION:

Internet – www.goldreserveinc.com

Company Contact

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