



Gold Reserve Inc.

NR-12-02

GOLD RESERVE ANNOUNCES CONCLUSION OF ORAL HEARINGS IN ICSID ARBITRATION AGAINST VENEZUELA

SPOKANE, WASHINGTON February 21, 2012

Gold Reserve Inc. (TSX.V:GRZ – NYSE-Amex: GRZ) (the “Company”) announces that the oral hearings held at the World Bank in Washington, DC and presided over by a three-member tribunal in the arbitration conducted under the auspices of the International Centre for the Settlement of Investment Disputes concluded, as scheduled, on February 17, 2012.

The hearings focused on the evidentiary record in the case and counsel for both the Company and the Bolivarian Republic of Venezuela addressed the issues of jurisdiction, liability and damages. The oral hearings presented an opportunity for the arbitral tribunal to hear testimony from fact witnesses and expert witnesses, as well as to address questions to the parties.

Gold Reserve claims damages arising from violations of three provisions of the Canada-Venezuela bilateral investment treaty resulting in the effective expropriation of Gold Reserve’s sizable investments in the world-class Brisas gold/copper project and the promising Choco 5 property.

Gold Reserve seeks compensation corresponding to the restitution, or fair market value, of the rights to develop the Brisas Project and Choco 5, as of the date of the Tribunal’s decision. Gold Reserve has presented evidence that the fair market value of those rights as last updated in its Reply dated July 29, 2011, is approximately \$2.1 billion. The Tribunal will assess the evidence presented on this and other matters in making its final decision.

Doug Belanger, President, stated, “The oral hearings were the culmination of an extensive undertaking by the Company’s counsel, technical, legal and financial experts, as well as its employees, to present Gold Reserve’s case to the Tribunal. Upon review of the entire record of evidence, it is clear that Gold Reserve’s claims are well supported.”

The Tribunal granted both parties the opportunity to submit a post-hearing brief, to be filed simultaneously, in order to comment in conclusion on the full evidentiary record, as is typically permitted in such arbitrations. Those briefs are due to be filed by March 16, 2012. The Tribunal may issue its decision thereafter. It is typical for tribunals in this type of arbitration to require six to eighteen months (the historical average is approximately 1.2 years) to finalize and issue its decision.

CAUTIONARY STATEMENT REGARDING 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: our ability to satisfy the requirements of the plan of compliance accepted by the staff of the NYSE Amex or to satisfy the continued listing requirements of the TSX.V or other ongoing listing standards; 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; the potential delisting of our Common Shares and uncertainty regarding any appeal thereof; 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 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, 2010, 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