



Gold Reserve Inc.

NR-12-06

Gold Reserve Announces Amendment No. 2 to Tender Offer Notice of Right of Repurchase for 5.50% Senior Subordinated Convertible Notes due 2022 and Changes to Proposed Restructuring for Noteholders

SPOKANE, WASHINGTON June 11, 2012

Gold Reserve Inc. (TSX VENTURE:GRZ) (NYSE-MKT:GRZ) (the "Company") announced today that it is notifying holders ("Holders" or "Noteholders") of its 5.50% Senior Subordinated Convertible Notes due 2022 (the "Notes") that the Company is modifying the Notice of Right of Repurchase and its terms which were announced on May 17, 2012 and June 1, 2012. On May 17, 2012 the Company announced that it had agreed with Holders of 87.8% of the notes ("Large Noteholders") to restructure their Notes, subject to shareholder approval and such consents as may be required under the Indenture, that will allow the Company to restructure the Notes with a combination of cash, common shares, modified terms for the remaining balance of the Notes and a contingent value right. The Company had offered the terms of that restructuring arrangement ("Proposed Restructuring") to all remaining Noteholders such that the Holders of the remaining 12.2% of the Notes would have the opportunity to elect to have their Notes repurchased for 100% cash pursuant to the Put Option described below or accept the same arrangement as was agreed with the Large Noteholders, which was referred to as the Alternative Transaction.

Amendment No. 2 is being filed to withdraw, at this time, the Alternative Transaction that was announced on June 1, 2012 for the remaining 12.2% of the Noteholders. The Put Option for 100% cash continues to be available upon the terms initially described in the Schedule TO filed on May 17, 2012. The Company intends to offer the Alternative Transaction as soon as reasonably practicable but no sooner than 10 business days after the expiration of the Put Option, subject to applicable legal requirements and compliance with the terms of Indenture.

As required by the Indenture (the "Indenture"), dated May 18, 2007, by and among the Company and The Bank of New York Mellon, as successor in interest to The Bank of New York, as Trustee ("Trustee") and the Co-Trustee named therein, the Company offered to each Holder the right to sell (the "Put Option"), upon the terms and subject to the conditions set forth in the Indenture, the Notes, for cash, to the Company. The Put Option remains available to the Holders. The Put Option for cash will expire at 5:00 p.m., New York City time, on June 15, 2012.

The Company intends to consummate its previously announced agreement with the Large Noteholders. The Holders of the remaining 12.2% of the Notes Holders will not have the opportunity to participate in the Proposed Restructuring at this time. However, the Company intends to offer to all such Holders an opportunity to participate in the Proposed Restructuring as soon as reasonably practicable but no sooner than 10 business days after the expiration of the Put Option, subject to applicable legal requirements and compliance with the terms of Indenture.

Following the expiration of the Put Option and the expiration of the subsequent offer the Company intends to make to Holders other than the Large Noteholders, the Company intends to redeem all Notes that have not been repurchased pursuant to the Put Option or restructuring pursuant to the Proposed Restructuring as soon as practicable, subject to applicable legal requirements and compliance with the terms of Indenture.

For further information please refer directly to the Schedule TO Amendment No. 2 and all other related filings for further details at www.goldreserveinc.com, www.sedar.com, or www.sec.gov.

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