



Gold Reserve Inc.

NR-12-07

Gold Reserve Announces Expiration and Final Results of Offer and Notice of Right of Repurchase for 5.50% Senior Subordinated Convertible Notes due 2022

SPOKANE, WASHINGTON June 21, 2012

Gold Reserve Inc. (TSX VENTURE:GRZ) (NYSE-MKT:GRZ) (the "Company") announced today the expiration and final results of its previously announced offer regarding the Notice of Right of Repurchase for its 5.50% Senior Subordinated Convertible Notes due 2022 (the "Notes"), which offer expired at 5:00 p.m., New York City time, on June 15, 2012.

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 (the "Offer") to each holder of the Notes ("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. At the time of the Offer, an aggregate of \$102,347,000 in principal amount of Notes were outstanding.

The paying agent for the Offer has advised the Company that as of the expiration of the Put Option, \$18,036,000 in principal amount of outstanding Notes have been validly tendered and not validly withdrawn. In accordance with the terms of the Offer, the Company has accepted all of the tendered Notes that were not validly withdrawn for payment of cash equal to the outstanding principal amount, plus accrued and unpaid interest up to, but not including, June 15, 2012.

Pursuant to its previously announced agreement with three Holders (the "Large Noteholders") of approximately \$77,187,000 in principal amount of Notes remaining outstanding after the expiration of the Offer, the Company intends to restructure the Notes held by such Holders ("Restructuring") and offer to Holders of the remaining outstanding Notes an opportunity to participate in the Restructuring as soon as reasonably practicable but no sooner than 10 business days after the expiration of the Offer, subject to applicable legal requirements and compliance with the terms of the Indenture.

Following completion of the Restructuring transactions, the Company intends to redeem all Notes that have not been repurchased pursuant to the Put Option or restructured pursuant to the Restructuring as soon as practicable, subject to applicable legal requirements and compliance with the terms of the Indenture.

For further information please refer directly to the Schedule TO Amendment No. 3 and all other related filings for further details at www.goldreserveinc.com, www.sedar.com or www.sec.gov.

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