



Gold Reserve Inc.

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Gold Reserve Announces Final Results of Restructuring of 5.50% Senior Subordinated Convertible Notes due 2022

SPOKANE, WASHINGTON, November 27, 2012

Gold Reserve Inc. (TSX VENTURE:GRZ) (NYSE-MKT:GRZ) (the “Company”) is pleased to announce today the results of the restructuring of its 5.50% Senior Subordinated Convertible Notes due 2022 (the “Notes”). The Company restructured approximately \$101.3 million of its \$102.3 million total Notes for \$33.8 million in cash, \$42.2 million in equity (representing 12,412,501 common shares at \$3.40 per share), \$25.3 million in new two-year Modified Notes (5.5% yield and convertible into common shares under certain circumstances at \$4.00 per share) and a Contingent Value Right (“CVR”) to be distributed pro-rata to the participating Note holders totaling 5.468% of any award or settlement of the Company’s ICSID arbitration.

In the second quarter 2012, pursuant to the terms of the Indenture which gave Note holders the right to require the Company to purchase all or a portion of their Notes, holders elected to surrender an aggregate of \$16.9 million of the Notes to the Company for cash. Concurrently, the Company announced a restructuring agreement (the “Restructuring Agreement”) with its three largest Note holders, who held approximately 88% of the outstanding Notes and in the third quarter, the next largest Note holder became a party to the Restructuring Agreement bringing the total Notes subject to the Restructuring Agreement to approximately 98.7% of the Notes outstanding. In the third quarter, management also offered the same restructuring terms to the holders of the remaining 1.3% of the Company’s outstanding Notes (the “Other Note Holders”).

Doug Belanger, President stated “The Board and management are pleased that with this transaction we minimized to the extent practicable shareholder dilution, significantly reduced the Company’s interest cost and created positive equity going forward. This transaction is good for all stakeholders in that it rationalizes the capital structure of the Company, with greater certainty going forward.”

The offer to the Other Note Holders representing approximately 1.3% or \$1,080,000 in aggregate principal amount of Notes to participate in the restructuring transaction that had been agreed to with the four largest Note holders expired at 11:59 p.m., Eastern Time, on Friday, November 23, 2012. As of November 26, 2012, Notes in the aggregate amount of \$38,000 were tendered by the Other Note Holders. In accordance with the terms of the offer, the Company has accepted all of the tendered Notes.

The Company’s four largest Note holders will receive, in the aggregate, \$16,875,000 in cash (\$15,439,500 was previously paid in July 2012), 12,406,913 shares of the Company’s Class A common stock (\$42,183,500 at \$3.40 per share), \$25,308,000 principal amount of Modified Notes and 5.465% Contingent Value Right. The Other Note Holders will receive, in the aggregate, \$12,000 in cash, 5,588 shares of the Company’s Class A common stock (\$19,000 at \$3.40 per share), \$7,000 principal amount of Modified Notes and .003% Contingent Value Right.

After the restructuring, \$1,042,000 million principal amount of existing Notes, \$25,315,000 million principal amount of Modified Notes, 5.468% Contingent Value Right and approximately 72,711,709 shares of Class A common stock will be issued and outstanding.

The terms and conditions of the Offer to the Other Note Holders were set forth in the Tender Offer Statement filed on Schedule TO, and the letter of transmittal and the related offer materials filed as exhibits, which were filed with the Securities and Exchange Commission on September 18, 2012, as amended and supplemented.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Further information regarding the Company can be located at www.goldreserveinc.com, www.sec.gov and www.sedar.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

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