

# Update on CITGO Sale Process

24.03.2025 | [Business Wire](#)

[Gold Reserve Ltd.](#) (TSX.V: GRZ) (OTCQX: GDRZF) ("Gold Reserve" or the "Company") announces that the \$7.1 billion bid, with fully committed financing from two large financial institutions, submitted by the Company's US subsidiary, Dalinar Energy Corporation ("Dalinar Energy"), was not recommended by the Special Master as the "Stalking Horse" or the "Base Bid" for the purchase of the shares of PDV Holding, Inc. ("PDVH"), the indirect parent company of CITGO Petroleum Corp., in the sales process being conducted by the U.S. District Court for the District of Delaware (the "Court").

The terms of Dalinar Energy's proposal (the "Proposal") have now been publicly disclosed by the Special Master appointed by the Court to operate the sale process. The bid by Dalinar Energy and information on the other bids submitted to the Special Master can be found at <https://goldreserve.bm/bids>.

The Special Master recommended as the Stalking Horse a \$3.699 billion bid by Red Tree Investments, an indirect subsidiary of Contrarian Funds, LLC, an affiliate of Contrarian Capital Management, LLC (collectively, "Contrarian"). A copy of the Special Master's recommendation can be found at <https://goldreserve.bm/special-masters-recommendation>.

Dalinar Energy has significant concerns with the recommendation, including, (i) Dalinar Energy's bid is \$3.382 billion higher than Contrarian's bid, a difference of more than 91%; and (ii) documents critical to the Contrarian bid (and the recommendation) were not made public. An emergency request has been filed with the Court with respect to the non-public documents and can be found at <https://goldreserve.bm/request-re-non-public-documents>. The Court has set an expedited briefing schedule for the motion, and a potential hearing on March 27, 2025.

The deadline for objections to the Special Master's Stalking Horse Bid recommendation has been stayed pending the Court's resolution of the Gold Reserve's emergency request.

The Proposal by Dalinar Energy was supported by a consortium that included judgment creditors senior to Gold Reserve in the Court's priority waterfall, including Koch Minerals Sarl and Koch Nitrogen International Sarl (collectively, "Koch") and [Rusoro Mining Ltd.](#) ("Rusoro").

The purchase price of the Proposal exceeded \$7.1 billion, of which approximately \$3.9 billion was to be paid to creditors senior to Gold Reserve in the priority waterfall established by the Court, and approximately \$3.2 billion in equity capital was to be provided by Koch, Rusoro and Gold Reserve. The Proposal also included a mechanism whereby creditors junior to Gold Reserve in the priority waterfall would be granted the option to participate, by receiving warrants in Gold Reserve in exchange for contributing a portion of their attached judgments to the bid in accordance with the terms of the warrant certificate.

The Proposal was supported by JPMorgan Chase Bank, N.A and TD Bank providing 100% commitment papers on up to a \$6.5 billion committed debt financing, of which \$4.85 billion would have been available at closing, with an additional \$1.65 billion in asset-based lending available post-closing.

"We are very disheartened that after many years in this process and working tirelessly to put together a winning bid that Dalinar Energy's fully priced and substantially higher \$7.1 billion bid was not recommended as the Stalking Horse Bid. Our bid provided recovery for all senior claimants in the Delaware waterfall and a potential recovery for all junior claimants via the equity warrants. We are considering all of our legal options, and look forward to our continued participation in the Delaware sale proceedings," said Paul Rivett, Gold Reserve's Chief Executive Officer and Executive Vice-Chair.

Additional information about Dalinar Energy can be found at: <https://www.dalinarenergy.com>

For questions or comments about Gold Reserve, please email us at [investorrelations@goldreserve.bm](mailto:investorrelations@goldreserve.bm)

For further information regarding the bid or media enquiries regarding Gold Reserve or Dalinar Energy, please contact [dalinar@hstrategies.com](mailto:dalinar@hstrategies.com).

A complete description of the Delaware sale proceedings can be found on the Public Access to Court Electronic Records system in [Crystallex International Corp. v. Bolivarian Republic of Venezuela](#), 1:17-mc-00151-LPS (D. Del.) and its related proceedings.

#### Cautionary Statement Regarding Forward-Looking statements

This release contains "forward-looking statements" within the meaning of applicable U.S. federal securities laws and "forward-looking information" within the meaning of applicable Canadian provincial and territorial securities laws and state Gold Reserve's and its management's intentions, hopes, beliefs, expectations or predictions for the future. 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. They are frequently characterized by words such as "anticipates", "plan", "continue", "expect", "project", "intend", "believe", "anticipate", "estimate", "may", "will", "potential", "proposed", "positioned" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements contained in this press release include, but are not limited to, statements relating to the Bid.

We caution that such forward-looking statements involve known and unknown risks, uncertainties and other risks that may cause the actual events, outcomes or results of Gold Reserve to be materially different from our estimated outcomes, results, performance, or achievements expressed or implied by those forward-looking statements, including but not limited to: the discretion of the Special Master to consider the Bid, to enter into any discussions or negotiation with respect thereto and that the Special Master may reject the Bid at any time; the Special Master may choose not to recommend a Base Bid or Final Bid to the Court; the failure of the Company to negotiate the Bid, including as a result of failing to obtain sufficient equity and/or debt financing; that Bid submitted by the Company will not be selected as the "Base Bid" or the "Final Recommend Bid" under the Bidding Procedures, and if selected may not close due to the Sale Process not being completed, including as a result of not obtaining necessary regulatory approval to close on the purchase of the PDVH shares, including but not limited to any necessary approvals from the U.S. Office of Foreign Asset Control ("OFAC"), the U.S. Committee on Foreign Investment in the United States, the U.S. Federal Trade Commission or the TSX Venture Exchange; failure of the Company or any other party to obtain any required shareholders approvals for, or satisfy other conditions to effect, any transaction resulting from the Bid; that the Company forfeit any cash amount deposit made due to failing to complete the Bid or otherwise; that the making of the Bid or any transaction resulting therefrom may involve unexpected costs, liabilities or delays; that, prior to or as a result of the completion of any transaction contemplated by the Bid, the business of the Company may experience significant disruptions due to transaction related uncertainty, industry conditions, tariff wars or other factors; the ability to enforce the writ of attachment granted to the Company; the timing set for various reports and/or other matters with respect to the Sale Process may not be met; the ability of the Company to otherwise participate in the Sale Process (and related costs associated therewith; the amount, if any, of proceeds associated with the Sale Process; the competing claims of other creditors of Venezuela, PDVSA and the Company, including any interest on such creditors' judgements and any priority afforded thereto; uncertainties with respect to possible settlements between Venezuela and other creditors and the impact of any such settlements on the amount of funds that may be available under the Sale Process; and the proceeds from the Sale Process may not be sufficient to satisfy the amounts outstanding under the Company's September 2014 arbitral award and/or corresponding November 15, 2015 U.S. judgement in full; and the ramifications of bankruptcy with respect to the Sale Process and/or the Company's claims, including as a result of the priority of other claims. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. For a more detailed discussion of the risk factors affecting the Company's business, see the Company's Annual Information Form on Form 40-F and Management's Discussion & Analysis for the year ended December 31, 2023 and other reports that have been filed on SEDAR+ and are available under the Company's profile at [www.sedarplus.ca](http://www.sedarplus.ca) and which have been filed on EDGAR and are available under the Company's profile at [www.sec.gov/edgar](http://www.sec.gov/edgar).

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

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