



**News Release**  
September 26, 2012

Company: **Global Railway Industries Ltd.**  
Stock Symbol: **GBI.H**  
Listing: **NEX**  
Outstanding Shares: **15.3 Million**  
Web Site: **www.globalrailway.com**

## **Global Railway Industries Ltd. Receives Claim for Indemnification from Purchaser of CAD Railway Industries Ltd.**

**Lachine, Quebec – September 26, 2012 – Global Railway Industries Ltd. (GBI.H:NEX):** Global Railway Industries Ltd. ("Global") announced today that it has received notice from the purchaser of Global's former subsidiary, CAD Railway Industries Ltd. ("CADRI") of claims for indemnification under the share purchase agreement entered into in respect of the sale of CADRI in September 2011. The aggregate amount of the indemnification claims asserted by the purchaser is approximately \$640,000, which exceeds the \$250,000 provision for anticipated indemnification claims that Global had taken in its financial statements for the first and second quarters of 2012. Global has requested additional information from the purchaser and is in the process of assessing the claims. Although Global intends, where appropriate, to contest the validity or amount of the claims, there can be no assurance at this time that Global will not ultimately be held to be contractually responsible for the full amount of the indemnity claims.

On closing of the CADRI sale, the purchaser paid \$1,000,000 of the purchase price into an escrow account to secure payment of Global's indemnification obligations. Under the terms of the share purchase agreement, the purchaser had one year from the closing date of the CADRI sale to notify Global of any claims for indemnification. The claims described above are the only claims asserted by the purchaser prior to the first anniversary of the closing date and, accordingly, Global's maximum liability to the purchaser under the indemnification provisions of the share purchase agreement is now limited to approximately \$640,000. This amount has been retained in the escrow account pending resolution of the claim. The balance of the funds in the escrow account of approximately \$360,000 have been released to Global.

**Forward-Looking Statements:** *This press release contains forward-looking information pertaining to the resolution of indemnity claims asserted against Global. The amount, if any, of funds available for distribution to shareholders, the timing of any future distributions, the amount Global will be obligated to pay under indemnification claims and the timing of the resolution of such claims are subject to substantial known and unknown risks and uncertainties, many of which are beyond Global's control. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results could vary materially from those expressed or implied by the forward-looking information. Accordingly, you should not place undue reliance on these forward-looking statements. A description of risk factors that may cause actual results to differ materially from forward-looking information can be found under the caption "Business Risks" in Global's management discussion and analysis for the three and six months ended June 30, 2012, which has been filed on the SEDAR website at [www.sedar.com](http://www.sedar.com). Any forward-looking statements are made as of the date of this release and, other than as required by applicable securities laws, Global does not assume any obligation to update or revise them to reflect new events or circumstances.*

**About Global Railway Industries:** Global Railway Industries Ltd. is a public company whose shares are listed for trading on the NEX Board of the TSX Venture Exchange under the symbol "GBI.H".

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Global Railway Industries Ltd.

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