



**News Release**

July 14, 2010

Company: **Global Railway Industries Ltd.**

Stock Symbol: **GBI**

Listing: **Toronto Stock Exchange**

Outstanding Shares: **15.2 Million**

Web Site: **www.globalrailway.com**

## **Global Railway Agrees to Sale of G&B Specialties, Inc. and Bach-Simpson Corporation**

**London, Ontario – July 14, 2010 - Global Railway Industries Ltd., - (GBI:TSX):** Global Railway Industries Ltd., [www.globalrailway.com](http://www.globalrailway.com), ("Global" or the "Company"), today announced the signing of an agreement for the sale of G&B Specialties, Inc. ("G&B"), and substantially all of the business and assets of Bach-Simpson Corporation ("Bach") to Wabtec Corporation (NYSE: WAB) for approximately C\$48.0 million. Subject to the fulfillment of certain conditions, the closing of the sale of G&B is expected to be completed prior to July 31, 2010 and the closing of the sale of Bach is expected to be completed prior to October 31, 2010.

Approximately 15% of the purchase price for G&B and Bach will be held in escrow for potential indemnification claims. After the escrowed amount, working capital adjustments and estimated transaction costs, Global expects to receive cash of approximately C\$25.0 million on the closing of the sale of G&B and approximately C\$9.0 million on the closing of the Bach sale. Net proceeds from the transaction will be utilized to retire the Company's term and operating loans.

"This transaction enables Global to realize the value of its underlying assets", said Thomas Dea, Chairman of the Special Committee of Global's Board of Directors and Lead Director. "Debt taken on to finance the acquisition and operations of CAD Railway Industries Ltd. ("CADRI") had to be addressed by this Board and Special Committee."

Global has been in default under its credit facilities since the fourth quarter of 2008. In May 2009, the current Board of Directors was established at the Company's annual general meeting. The Special Committee was formed immediately thereafter to assess all strategic alternatives available to the Company. The Special Committee engaged Solaris Capital Advisors Inc. as its financial advisor and retained independent legal counsel. In the third quarter of 2009, the Special Committee's mandate was expanded to include debt restructuring in order to manage the Company's liquidity situation.

Over the past twelve months, the Special Committee, with the advice of Solaris, considered all alternatives to maximize shareholder value. As part of this process, Solaris conducted a very broad auction to identify potential purchasers of all or part of the Company. This process has resulted in the announced transaction, which the Special Committee and the Board of Directors have unanimously determined to be in the best interest of Global and its shareholders. The Special Committee will continue its strategic review of the alternatives available to the Company.

Concurrent with the entering into of the purchase agreement with Wabtec, Global is continuing the reduction of corporate expenses. Fausto Levy has been appointed interim President and CEO of Global, replacing Terry McManaman, who has resigned as President and CEO. Mr. Levy will continue in his role as President of CADRI. Mr. McManaman will continue as Chairman of Global's Board of Directors.

THIS NEWS RELEASE MAY CONTAIN FORWARD LOOKING INFORMATION. ACTUAL FUTURE RESULTS MAY DIFFER MATERIALLY FROM THOSE CONTEMPLATED. THE RISKS, UNCERTAINTIES AND OTHER FACTORS, BOTH KNOWN AND UNKNOWN, THAT COULD INFLUENCE ACTUAL RESULTS MAY BE SUBSTANTIAL AND INCLUDE THOSE DESCRIBED IN DOCUMENTS FILED WITH REGULATORY AUTHORITIES, SUCH AS THE COMPANY'S MOST RECENTLY FILED ANNUAL REPORT AND ANNUAL INFORMATION FORM. ACCORDINGLY, NO ASSURANCES CAN BE GIVEN THAT ANY OF THE EVENTS ANTICIPATED BY THE FORWARD-LOOKING STATEMENTS WILL TRANSPIRE OR OCCUR, OR IF ANY OF THEM DO SO, WHAT BENEFITS THE COMPANY WILL DERIVE THEREFROM.

**About Global Railway Industries Ltd.:** Global Railway Industries Ltd. is a public company whose shares are listed for trading on the Toronto Stock Exchange (TSX) under the symbol "GBI". For more information: visit [www.globalrailway.com](http://www.globalrailway.com) or [www.investorfile.com](http://www.investorfile.com).

**Company Contact:**

Fausto Levy  
President & CEO  
Tel: 514-634-6224  
E-mail:  
[flevy@cadrail.ca](mailto:flevy@cadrail.ca)

**Company Contact:**

Brian McMullan  
CFO  
Tel: 585-419-9720  
E-mail:  
[bmcnullan@globalrailway.com](mailto:bmcnullan@globalrailway.com)