



News Release
August 12, 2009

Company: **Global Railway Industries Ltd.**
Stock Symbol: **GBI**
Listing: **Toronto Stock Exchange**
Web Site: **www.globalrailway.com**

Global Railway Reports Q2 Results for 2009

Investor Conference Call on Thursday August 13, 2009 @ 11am ET

London, Ontario – August 12, 2009 - Global Railway Industries Ltd., - (GBI:TSX): Global Railway Industries Ltd., www.globalrailway.com, ("Global" or the "Company"), a leading North American provider of railway products and services, today reports the Company's 2009 second quarter financial results for the three-month and six-month periods ended June 30, 2009. All dollar figures are reported in Canadian currency unless otherwise noted.

2009 Q2 Financial Highlights: 3-months ended June 30, 2009

- Total revenue of \$17.4 million compared to \$14.6 million in the second quarter of 2008
- Net loss of \$875 thousand compared to \$100 thousand of net income in the second quarter of 2008
- Loss per share of \$0.06 compared to earnings per share of \$0.01 in the second quarter of 2008

2009 Financial Highlights: 6-months ended June 30, 2009

- Total revenue of \$32.1 million compared to \$30.1 million for the same 6-month period in 2008
- Net loss of \$2.4 million compared to \$741 thousand of net income for the same 6-month period in 2008
- Loss per share of \$0.16 compared to earnings per share of \$0.05 for the same 6-month period in 2008

Terry McManaman, Chairman, President and CEO of Global commented, "Similar to the first quarter of 2009, the economic recession continues to have a significant negative impact on our freight railway related businesses as North American Class 1 Railroads experienced about a 20 percent decline in carload traffic year over year. Global's business is directly impacted as these railroads continue to store a significant number of their locomotives and railcars. On the other hand, our passenger railroad and commuter systems related businesses have been favourably impacted by the current market conditions because of increased government investment in rail passenger transit. Additionally, the recently announced stimulus spending in Canada and the United States allocates significant monies for continued infrastructure spending on rail passenger transit. Approximately 40 percent of the Company's revenues are generated from transit customers, compared to 60 percent from freight carriers."

"As expected, diminishing sales volumes in the locomotive and component markets, combined with a continued learning curve impact on the VIA Rail project's margins, have negatively impacted Global's largest subsidiary's, CAD Railway Industries ("CADRI"), operating results during the second quarter of 2009," said McManaman.

Fausto Levy, President – CADRI commented, "Although it is too early to arrive at final conclusions, initial trends on the VIA Rail project's learning curve are starting to show positive trends for this \$101.5 million contract. Another positive signal for CADRI is that the railroad industry may have reached the bottom in the downward spiral of railcar loadings. We could see railroads commence returning stored locomotives and railcars back into revenue service by the end of the year. In Q3, CADRI has seen a very recent increase in its locomotive maintenance business which had materially dropped over the past few quarters. CADRI has successfully bid on over \$4 million of new contracts in component sales, locomotive testing, passenger car overhauls and locomotive repairs. A portion of these sales will occur during 2009, reducing the overall impact of the economic downturn on CADRI's second half 2009 results."

"Despite lower demand for track & signal and rail gear products, G&B Specialties' (G&B) sales and gross margins met Management's expectations in the second quarter of 2009," said McManaman. "During the quarter, G&B management continued to focus on international markets with visits to Argentina and Mexico. Latin America continues to be a growth

market for G&B and new orders were generated from Mexico and Argentina. Management will continue to press the international markets to generate growth.”

“Bach-Simpson’s (“Bach”) 2009 second quarter sales continue to show strong growth, increasing approximately 54% as compared to the second quarter of 2008. Bach’s customers, most of which are commuter and passenger rail related, are markets that are mostly Government funded and therefore continue to grow in spite of the recession,” said McManaman.

McManaman continued, “A major development for Bach in Q2 was the award of an \$800,000 contract for an integrated video and recorder safety/security system to a major transit authority for installation in their next delivery of new locomotives. Deliveries are expected to start late this year with the majority of the new systems being delivered in 2010.”

VIA Rail Contract

During the second quarter of 2009, CADRI delivered the second locomotive for the VIA Rail contract and will be delivering the third locomotive during the month of August 2009. Although CADRI has recovered some of the time lost due to previous delays, the project delivery schedule is still behind the original contract schedule. CADRI has implemented catch-up measures to avoid future delays. The first locomotive delivered to VIA Rail under this contract has been in revenue service for about two months. VIA Executives and crews are pleased by the performance and reliability of this initial “one of a kind” passenger locomotive.

Bank Covenants and Liquidity

Management has determined that the credit facilities currently in place with its Lenders may no longer be sufficient to support the Company’s fourth quarter business requirements, due to the increased utilization of working capital in connection with the VIA contract and the impact of the economic downturn. Furthermore, as at June 30, 2009, the Company was not in compliance with two of its banking covenants. As a result of the foregoing, the Company has undertaken discussions with its Lenders to expand the credit facilities and amend the covenant requirements. The Lenders are engaged in discussions with the Company to seek a workable solution. If successful, the results of these discussions are expected to be in place in the third quarter of 2009. While the Company has undertaken these initiatives, the possibility remains that the requested changes will not be forthcoming. Accordingly, Management has commenced discussions with other parties as alternative sources to support the Company’s financing requirements. In Management’s judgment, these efforts will be successful in addressing the Company’s cash resource requirements.

Financial Summary:

Summary Income Statement (unaudited)	Three months ending June 30, 2009	Three months ending June 30, 2008	Change
Revenues	\$17,386,252	\$14,615,870	\$2,770,382
Net earnings (loss)	(\$874,554)	\$99,788	(\$974,342)
Earnings (loss) per share (diluted)	(\$0.06)	\$0.01	(\$0.07)
Summary Income Statement (unaudited)	Six months ending June 30, 2009	Six months ending June 30, 2008	Change
Revenues	\$32,063,265	\$30,134,977	\$1,928,288
Net earnings (loss)	(\$2,423,703)	\$741,386	(\$3,165,089)
Earnings (loss) per share (diluted)	(\$0.16)	\$0.05	(\$0.21)

The Company’s 2009 Q2 financial statements and Management’s discussion and analysis will be posted later today in the investor information section of Global’s web site at www.globalrailway.com and are also available on SEDAR at www.sedar.com.

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.

Investor Conference Call

Mr. Terry McManaman, Chairman, President & CEO of Global, Mr. Fausto Levy, President CADRI, Mr. Bill Sturtz CMO of Global and Mr. Brian McMullan, CFO of Global, will speak on behalf of the Company. A question-and-answer forum will follow the review of the 2009 second quarter financial results and update on the Company's operations and growth strategies.

To listen and/or participate in this conference call, please dial 1-800-731-5319 (from Toronto: 416-644-3420) approximately 10 minutes prior to the beginning of the conference call, scheduled for Thursday August 13, 2009 at 11am ET.

For those unable to participate in the conference call, a recording of the conference call will be available from 1:00 pm ET, Thursday August, 13, 2009, until 11:59 pm ET, Thursday August 20, 2009. Please dial 1-877-289-8525 (from Toronto use: 416-640-1917) and enter the reservation number 21312802 followed by the "pound sign" to listen to the rebroadcast.

About Global Railway Industries: Global Railway Industries Ltd. is a diversified rail product company serving the railway industry in North America. Global Railway 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.

Company Contact:

Terry McManaman
Chairman, President & CEO
Tel: 585-419-9720
E-mail: tmcmanaman@globalrailway.com

Company Contact

Brian McMullan
CFO
Tel: 585-419-9720
E-mail: bmcmullan@globalrailway.com