

centerra**GOLD**



NEWS RELEASE

Centerra Gold Reaches Agreement with the Kyrgyz Government and Cameco Regarding the Kumtor Project

(All figures are in United States dollars)

TORONTO, CANADA – April 24, 2009 – Centerra Gold Inc. (“Centerra” or the “Company”) (TSX: CG) announced today that the Company has reached an agreement (the “Agreement”) with the Government of the Kyrgyz Republic (the “Government”) and Cameco Corporation (“Cameco”) that resolves all of the existing disputes between Centerra and the Government with respect to the Kumtor Project. The Agreement provides for the Government’s full commitment to and support for Centerra’s continuing long-term development of the Kumtor Project and the Government has agreed not to take any action that deprives Centerra or its affiliates of any of their rights in respect of the Kumtor Project. The Government has advised Centerra that it intends to present the Agreement and draft legislation authorizing the implementation of all of its terms for Parliamentary approval next week and to make a concerted effort to obtain such approval.

On June 2, 2008, the Company reported that the previously announced framework agreements entered into between the Company, Cameco and the Government on August 30, 2007 had not been ratified by the Parliament of the Kyrgyz Republic within the time frame agreed by the parties and had therefore expired. Subsequently, the parties resumed their discussions and negotiations and the current Agreement reflects the outcome of those negotiations.

“This Agreement provides a stable and economically attractive business and operational environment for Centerra and the Kumtor Project. Kumtor, producing approximately 600,000 ounces of gold annually has operated uninterrupted since 1997. As one of the largest gold mines in the world, its 2,300 employees demonstrate the highest levels of productivity, have an outstanding safety record and adhere to the strictest environmental standards. Centerra and the Kyrgyz Republic can be very proud of this operation. We have always worked together for the development of the Kumtor Project and the Government’s increased shareholding in Centerra further aligns our interests. Furthermore, this agreement demonstrates the Government’s commitment to Centerra and secures the Company’s long-term presence in the country,” commented Stephen Lang, Centerra President and Chief Executive Officer.

Highlights of the New Agreement

- Provides business certainty for future mining operations at the Kumtor Project and the Government's full commitment to and support for Centerra's growth plans;
- Contemplates the execution of related project agreements to incorporate the provisions of the Agreement including providing for the settlement of all outstanding claims between the parties including those currently the subject of international arbitration;
- Expands the Company's existing concession area to include the area of its exploration and development license. The Government will also support further and additional exploration activity by Centerra and its affiliates in the Kyrgyz Republic by inviting them to consider opportunities to acquire additional exploration and mining licenses;
- Replaces the current tax regime applicable to the Kumtor project with a simplified, new tax rate effective January 1, 2008. Under the new tax regime, gross revenue will be taxed at a rate of 14%, which includes a 1% monthly contribution to the Issyk-Kul Oblast Development Fund. The new tax regime replaces income tax (10% of taxable income), mineral resource tax (5% of revenue), emergency fund tax (1.5% of revenue), road tax (0.8% of revenue), withholding taxes (10-30% depending on the nature of the payment), the Issyk-Kul Social Fund tax (2-4% of taxable income), all customs duties and certain other taxes;
- Provides that Centerra will pay to the Government approximately \$22.4 million representing: (i) an \$11.0 million difference in taxes payable from January 1, 2008 to December 31, 2008 representing the difference between the taxes paid under the existing tax regime and the taxes that would be payable under the new tax regime, (ii) \$1.75 million in full satisfaction of all liabilities or claims of any governmental authority against Centerra or any of its affiliates in respect of any matter arising before the closing of the transactions contemplated by the Agreement and (iii) an advance on taxes of approximately \$9.65 million related to 2009;
- Provides that Centerra has agreed to issue to the Government 18,232,615 common shares from its treasury and Cameco has agreed to transfer to the Government up to 25,300,000 common shares of Centerra, which are to be released to the Government upon the satisfaction of certain conditions, including, among other things, if Cameco's interest in Centerra falls below 10,800,000 common shares of Centerra and until that time Cameco retains voting control over approximately 52.7% of the issued and outstanding shares of Centerra. No restrictions have been placed on Centerra's ability to issue common shares in the future;

- Provides for an annual payment of 4% of gross revenue against which all capital and exploration expenditures in the Kyrgyz Republic are fully credited. Expenditures not required for credit in the year are carried forward for credit in future years;
- Provides that upon the closing of the transactions contemplated by the Agreement, Centerra's Board of Directors will be expanded to include an additional independent Director nominated by the Kyrgyz Government.

Closing of the transactions will occur and the Agreement will constitute a legally binding agreement only upon the satisfaction (or waiver) of certain conditions precedent, including the following: (i) the approvals of the boards of directors of Centerra and Cameco and of the Government of the steps required to be taken at closing including definitive documentation; (ii) the execution of restated project agreements; (iii) Parliamentary approval of the Agreement and the required legislation to implement the terms of the Agreement; (iv) all claims and proceedings before the Kyrgyz courts in respect of the Kumtor project shall have been permanently terminated and all orders or rulings made in such proceedings adverse to the Kumtor project shall have been permanently vacated; and (v) obtaining any necessary regulatory and other approvals, including TSX approval.

After closing of the transactions and upon the satisfaction of all conditions to the transfer of shares by Cameco, the Kyrgyz Government could own up to 33.0% of Centerra, Cameco 37.8% and the balance, 29.2%, would be held by the remaining shareholders.

Cautionary Note Regarding Forward-looking Information

This news release contains forward-looking information. This forward-looking information includes statements as to management's expectations with respect to, among other things, the approval of the Parliament of the Kyrgyz Republic of the Agreement and the satisfaction of all other conditions precedent to the implementation of the provisions of the Agreement. Such forward-looking information involves numerous assumptions, risks, uncertainties and other factors that could cause actual results and performance to differ materially from those expressed or implied by such forward-looking information. All information, other than statements of historical fact, is forward-looking information. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by us, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information.

Risk factors affecting Centerra and the Kumtor project are discussed under the heading "Cautionary Note Regarding Forward-looking Information and "Risk Factors" in the Company's most recently filed Annual Information Form and Annual Report and Management's Discussion and Analysis for the financial year ended December 31, 2008, available on SEDAR at www.sedar.com. Centerra disclaims any intention or obligation

to update or revise any forward-looking statements whether as a result of new information, future events or otherwise, except to the extent required by applicable laws.

About Centerra

Centerra is a growth-oriented, gold Company focused on acquiring, exploring, developing and operating gold properties primarily in Asia, the former Soviet Union and other emerging markets worldwide. Centerra is a leading North American-based gold producer and the largest Western-based gold producer in Central Asia and the former Soviet Union. Centerra's shares trade on the Toronto Stock Exchange under the symbol CG. The Company is based in Toronto, Canada.

Additional information

Additional information on Centerra is available on SEDAR at www.sedar.com and the Company's website at www.centerragold.com.

For further information, please contact:

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