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NEWS RELEASE

Centerra Gold Comments on Kyrgyz Republic Court Decision

TORONTO, CANADA – August 26, 2008 – Centerra Gold Inc. (TSX: CG) stated that according to available information the Bishkek Inter District Court of the Kyrgyz Republic today dismissed a lawsuit filed by a Vice-Speaker of the Parliament, K.S. Isabekov, against the Government of the Kyrgyz Republic relating to the Company's Kumtor project. The lawsuit sought to annul the Government's decree approving the December 31, 2003 agreements implementing the restructuring of the project; the 2003 agreements giving effect to the restructuring, including the Investment Agreement and the Concession Agreement providing for Kumtor's right to explore and develop the main Kumtor deposit within the Kumtor concession area; and the Government's decree approving the 1993 Concession Agreement and the 1993 Concession Agreement itself.

Centerra is continuing to hold discussions with the Government working group responsible for Kumtor. As previously reported, Centerra and the Kyrgyz Republic agreed to a limited postponement until September 29, 2008 of the international arbitration proceedings initiated by the Company. The Kyrgyz Republic has taken the position in the arbitration that, among other things, the 2003 Investment Agreement required but did not receive Parliamentary approval and therefore is not in effect. The Company therefore cautions that the court's ruling today does not resolve the principal matters at issue between the Company and the Kyrgyz Republic.

Today's court ruling also has no effect on the previously reported June 17, 2008 decision of the Inter District Court to invalidate the Southwest and Sarytor mining licenses and the Kumtor exploration license. That decision, while under appeal, remains in effect.

Mine operations continue in the concession area and gold production remains uninterrupted.

About Centerra

Centerra is a growth-oriented, gold Company focused on acquiring, exploring, developing and operating gold properties primarily in Central 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.

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