

centerra**GOLD**



NEWS RELEASE

Centerra Gold Production Update

TORONTO, CANADA – September 24, 2009 – Centerra Gold Inc. (TSX: CG) (the “Company”) announced today that it expects 2009 gold production from the Kumtor mine in the Kyrgyz Republic to be approximately 500,000 ounces, compared to the previous guidance of 560,000 to 600,000 ounces as discussed at the end of the second quarter. On a consolidated basis, the Company expects 2009 gold production of 620,000 to 630,000 ounces, versus prior guidance of 680,000 to 730,000 ounces as a result of Kumtor’s revised production guidance.

2009 Production Update

Kumtor

At the Kumtor mine, the accelerated waste and ice movement experienced in the first half of 2009 continues. As a result the operation has increased its focus on mining of ice and the removal of waste in the vicinity of the central pit. This has resulted in deferred access to the high-grade component of the SB Zone in the central pit to the fourth quarter of 2009.

Kumtor gold production for the third quarter of 2009 is estimated to be in the range of 125,000 to 130,000 ounces, compared to the prior guidance of 165,000 to 185,000 ounces. The reduction in gold production guidance is due to the deferred access to the high-grade component of the SB Zone as a result of the increased focus on mining and removal of the waste/ice material. During the fourth quarter, Kumtor’s gold production is estimated to be in the range of 225,000 to 235,000 ounces, versus the prior guidance of 245,000 to 265,000 ounces and assumes access and release of higher grade ores from the SB Zone in the quarter particularly in November and December.

In addition to the produced ounces, the Kumtor pit will deliver ore to a surface stockpile in the fourth quarter. The Company is accelerating implementation of a plan to manage the accelerated ice and waste movement.

2009 Quarter by Quarter Estimate – Kumtor Gold Production

Q1 (Actual)	63,021 oz
Q2 (Actual)	81,467 oz
Q3 (Est.)	125,000 – 130,000 oz
Q4 (Est.)	225,000 – 235,000 oz
Total	approximately 500,000 oz

Boroo

At the Boroo mine in Mongolia, gold production is forecast to be 120,000 to 130,000 ounces, which is unchanged from previous guidance. The Company is working with the Mongolian authorities to have the final operating permit for the heap leach facility issued. Resumption of heap leach operations at Boroo would add approximately 3,000 ounces per month to the Company's gold production guidance.

Production forecasts for 2009 are forward-looking information and are based on key assumptions and are subject to material risk factors that could cause actual results to differ materially. These assumptions and risk factors are described under "Outlook for 2009 – Major Assumptions and Sensitivities" in the Management's Discussion and Analysis for the period ended June 30, 2009 and in the most recently filed Annual Information Form, Annual Report and Annual Management's Discussion and Analysis and are discussed under the heading "Cautionary Note Regarding Forward-looking Information".

Qualified Person

The scientific and technical information in this document was prepared in accordance with National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") and was reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Ian Atkinson, Certified Professional Geologist, Centerra's Vice-President, Exploration, who is the qualified person for the purpose of NI 43-101.

Cautionary Note Regarding Forward-looking Information

Statements contained in this news release including those under the headings "Production Update Kumtor - 2009 Quarter by Quarter Estimate – Kumtor Gold Production", and the documents incorporated by reference herein, contain statements which are not current statements or historical facts and are "forward-looking information" within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, contained or incorporated by reference in this news release constitute forward-looking information. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "forecasts", "projections", "anticipate" or "does not anticipate", "believe", "intent", "potential", "strategy", "schedule", "estimates" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved and other similar expressions have been used to identify forward-looking information. These forward-looking statements relate to, among other things Centerra's expectations regarding, future growth, results of operations (including, without limitation, future production and sales, and operating and capital expenditures), performance (both operational and financial), business and political environment and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities.

Although the forward-looking information in this news release reflects Centerra's current beliefs on the date of this news release based upon information currently available to management and based upon what management believes to be reasonable assumptions, Centerra cannot be certain that actual results, performance, achievements, prospects and opportunities, either expressed or implied, will be consistent with such forward-looking information. By its very nature, forward-looking information necessarily involves significant known and unknown risks, assumptions, uncertainties and contingencies that may cause Centerra's actual results, assumptions, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking information. These risks and uncertainties include, among other things, risks relating to the creep of ice and waste material into the Kumtor

open pit, the resolution of issues at the Boroo mine relating to the suspension of the Boroo licenses in June 2009 as described above under the heading “Other Corporate Developments – Mongolia” in the Management’s Discussion and Analysis for the period ended June 30, 2009, the receipt of a final permit to operate the heap leach operation at the Boroo mine, gold prices, replacement of reserves, reduction in reserves related to geotechnical risks, ground and ice movements, political risk, nationalization risk, changes in laws and regulations, civil unrest, labour unrest, legal compliance costs, reserve and resource estimates, production estimates, exploration and development activities, competition, operational risks, environmental, health and safety risks, costs associated with reclamation and decommissioning, defects in title, seismic activity, cost and availability of labour, material and supplies, increases in production and capital costs, permitting and construction to raise the tailings dam height and increase the capacity of the existing Kumtor tailing dam, illegal mining, enforcement of legal rights, decommissioning and reclamation cost estimates, future financing and personnel. There may be other factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. See “Risk Factors” in the Company’s most recently filed Annual Information Form and Annual Management’s Discussion and Analysis available on SEDAR at www.sedar.com.

If Centerra's reserve or resource estimates for its gold properties are inaccurate or are reduced in the future, this could have an adverse impact on Centerra’s future cash flows, earnings, results of operations and financial condition. Centerra estimates the future mine life of its operations.

Centerra can give no assurance that mine life estimates will be achieved. Failure to achieve these estimates could have an adverse impact on Centerra’s future cash flows, earnings, results of operations and financial condition.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained in this news release. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of September 24, 2009. Centerra assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

About Centerra

Centerra is a gold mining 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 (TSX) under the symbol CG. The Company is based in Toronto, Canada.

Additional information on Centerra is available on the Company’s web site at www.centerragold.com and at SEDAR at www.sedar.com.

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