



## **NEWS RELEASE**

(All figures are in United States dollars)

### **CENTERRA GOLD, KUMTOR MINE RESUMES OPERATIONS**

**Toronto, Canada, December 22, 2006:** Centerra Gold announced today that the illegal work stoppage at the Kumtor Mine has ended and normal mine operations are expected to restart on Friday December 22nd. The Company has also reached an agreement with the Trade Union regarding all material terms of a 2-year labour agreement.

At the centre of the labour dispute was a Government amendment of the existing regulation with regard to the high altitude premium for the Kumtor mine site that had the effect of an increase in salaries for national employees. The Company has taken the position that it is entitled under the stabilization provision of its Investment Agreement with the Government not to be subject to this amendment and, as previously disclosed, has therefore commenced international arbitration. In November, the Government had asked the Company to postpone the arbitration and formed a special Government commission to review this issue. The day after the illegal work stoppage commenced, the Government commission instructed the Company that it did not intend to change its position that the amendment applies to Kumtor and for the Company to comply with its decision. In order to mitigate its losses and potential losses for the Kyrgyz Republic, the Company has made the decision to make the payments required by the amendment under protest and to immediately pursue damages in arbitration.

Pending the final decision in arbitration, the increased labour costs of complying with the amendment will be about \$6 million in 2006.

#### **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. 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.

#### **Forward Looking Statements**

Statements contained in this news release which are not historical facts are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; equipment failure; unexpected geological or

hydrological conditions; political risks arising from operating in certain developing countries; defects in title; imprecision in reserve estimates; success of future exploration and development initiatives; competition; operating performance of the facilities; environmental and safety risks including increased regulatory burdens; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies, including trade and tax laws and policies; ability to maintain and further improve positive labour relations; and other development and operating risks. For further discussion of the factors that could cause actual results to differ materially, please refer to Centerra's Annual Information Form and Annual Management's Discussion and Analysis for the year ended December 31, 2005, available on SEDAR at [www.sedar.com](http://www.sedar.com).

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**Additional information on Centerra is available on the Company's web site at [www.centerragold.com](http://www.centerragold.com) and at SEDAR at [www.sedar.com](http://www.sedar.com)**

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