



NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold Provides Update on Developments in the Kyrgyz Republic

Toronto, Canada, July 19, 2005: Centerra Gold Inc. (TSX: CG) today provided an update on developments related to its Kumtor project located in the Kyrgyz Republic following a visit by senior management to the country.

The complex political situation in the Kyrgyz Republic continues to evolve. As expected, the acting President, Mr. Kurmanbek Bakiev, won a landslide victory at the Presidential elections held on July 10, 2005. As the new government becomes established, we expect there will be less political uncertainty related to the Kumtor project. As the largest foreign investment enterprise in the Kyrgyz Republic, the project has been and continues to be a focus of political debate. There can be no assurance that it will not be affected by the political situation in the country.

In Centerra's first quarter management's discussion and analysis, we reported on requests for information from the State Auditing Chamber in connection with its inquiries into the Kumtor restructuring. Since then, the interim government, formed after the departure from office of President Askar Akayev in March, 2005, made further information requests. The Attorney General's office requested documents from Kumtor Operating Company (Centerra's 100% subsidiary) and Centerra as part of a criminal investigation into alleged abuses of power or authority by officers of the Kyrgyz government, Kyrgyzaltyn JSC (the state-owned entity that formerly held two-thirds of the project and now owns 15.7% of Centerra), Kumtor Gold Company and Kumtor Operating Company. The investigation is based on previous parliamentary resolutions opposing and challenging the Kumtor agreements and the legality of the restructuring. Centerra has and will continue to respond cooperatively to these requests.

Centerra is not aware of any basis for any allegation of criminal conduct. The Kumtor restructuring was approved by government decrees and was supported by legal opinions of the Ministry of Justice on the authority of the government to enter into and complete the restructuring. The International Finance Corporation and the European Bank for Reconstruction and Development also participated in the restructuring transactions. Centerra has complete confidence in the validity of its restructuring agreements with the government. Disputes about such agreements are subject to resolution by international arbitration. Furthermore, Mr. Bakiev, prior to the Presidential elections, stated on several occasions that the Kyrgyz Republic will honor its agreements with foreign investors.

The interim government established a commission in April to inquire into the former President's assets. The commission has published a report on its findings that does not contain any allegations against Centerra or its Kyrgyz subsidiaries.

We will provide a further update in our second quarter management's discussion and analysis on developments in the Kyrgyz Republic that may affect our operations and on the scheduled tax inspections mentioned in our first quarter management's discussion and analysis. A tax assessment is expected in the near future.

The Kumtor gold mine continues to function normally.

About Centerra

Centerra is a growth-oriented, pure-play gold company focused on acquiring, exploring, developing and operating gold properties primarily in Central Asia, the former Soviet Union and other emerging markets. The two gold mines operated by the Company are expected to produce 790,000 ounces in 2005 at a total cash cost of about \$229 per ounce. This ranks Centerra as a leading North American 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.

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; 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 laws and policies; ability to maintain and further improve positive labour relations; and other development and operating risks.

Although Centerra believes that the assumptions inherent in the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this report. Centerra disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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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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