

centerra**GOLD**



NEWS RELEASE

Centerra Gold Updates Reserves and Resources

(All figures are in United States dollars)

Toronto, Canada, December 7, 2009: Centerra Gold Inc. (TSX: CG) today issued updated estimates on the Company's reserve and resource estimates and life-of-mine plans for its operating mines. At the Kumtor mine an estimated 1.3 million ounces of gold reserves have been added. After accounting for processing of approximately 409,000 ounces of contained gold to October 31, 2009, Kumtor's proven and probable mineral reserves total 4.9 million ounces of contained gold as at October 31, 2009. Based on these estimates, the additional reserves will extend the Kumtor open pit mine-life to 2017. The total life-of-mine capital expenditures required to develop the reserves for the Kumtor life-of-mine is estimated at \$483 million, which includes \$179 million of sustaining capital. Kumtor's revised life-of-mine plan incorporates remedial measures to manage the ice and waste movement in the southeast highwall of the Kumtor pit previously disclosed and discussed in Centerra's third quarter disclosure.

Kumtor's life-of-mine plan is based only on the open pit reserves and resources, and no provision has been made for production from the underground development activities. The updated estimates and plans for Kumtor disclosed in this news release are the result of a technical review prompted by geotechnical developments in the Kumtor pit, including the ice and waste movement referred to above. This review is now complete and the results are reflected in the updated information.

At the Boroo mine, reserves increased by 25,000 ounces of contained gold before accounting for processing of approximately 188,000 contained ounces of gold to October 31, 2009 in the Boroo mill and heap leach pad. The updated estimates and plans for Boroo disclosed in this news release are the result of the Company finalizing an updated technical report to include heap leach processing in the life-of-mine plan at Boroo.

A gold price of \$825 per ounce was used for all of the updated Kumtor and Boroo reserve and resource estimates, compared to \$675 per ounce as of December 31, 2008. Updated technical reports for Kumtor and Boroo will be filed in the near-term.

At the Gatsurt project, no changes have been made to the reserve and resource figures or classification from the December 31, 2008 estimate of 1.0 million contained ounces of gold using a gold price of \$675 per ounce. This estimate will be updated at year-end using an \$825 per ounce gold price with the 2009 year-end reserve and resource update.

Also, no changes have been made to the resource figures or classification from December 31, 2008 resource estimate at the REN project. Centerra has entered into a letter of intent to sell its REN interest to a third party.

Steve Lang, President and CEO of Centerra Gold said: “We are pleased that the technical review of the Kumtor pit, and new life-of-mine plan have now been completed. We are on track to meet our most recent gold production guidance for 2009. During 2010, our exploration program at Kumtor will continue as we expect to increase our expenditure level to \$12.6 million, which does not include \$7.0 million of planned underground infill and delineation drilling, which will be capitalized.”

“Exploration at Kumtor in 2010 will be focused on extending the underground SB Zone along strike and down dip and to infill drill the inferred resource area, as well as, commence the infill drilling on the Stockwork Zone and continue to extend it down dip and along strike. Additional drilling is also planned on down dip extensions of the Southwest and Sarytor deposits, the surface regional exploration targets including the Northeast prospect, Bordoo and Akbel targets.”

Kumtor Mine

At Kumtor, reserves and resources increased due to the changes in the life-of-mine plan as a result of the gold price increase and to the successful exploration drilling. The Kumtor life-of-mine plan has been revised and extended to 2017 from 2014.

Reserves and Resources

Kumtor Mineral Reserve and Resource Summary (as of October 31, 2009)

Reserves⁽¹⁾ (Tonnes and ounces in thousands) ^{(7) (8)}										
Property	Proven			Probable			Total Proven and Probable Mineral Reserves			
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Mining Method ⁽³⁾
Kumtor^{(1) (5) (9)}	1,162	1.3	50	44,051	3.4	4,874	45,213	3.4	4,924	OP

Measured and Indicated Resources⁽²⁾ (Tonnes and ounces in thousands) ^{(7) (8)}										
Property	Measured			Indicated			Total Measured and Indicated Mineral Resources			
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Mining Method ⁽³⁾
Kumtor^{(4) (5) (9)}	18,480	2.4	1,441	12,537	2.3	932	31,017	2.4	2,373	OP

Inferred Mineral Resources⁽²⁾ (Tonnes and ounces in thousands) ^{(7) (8) (10)}				
Property	Inferred			Mining Method ⁽³⁾
	Tonnes	Grade (g/t)	Contained Gold (oz)	
Kumtor ^{(4) (5) (9)}	252	1.9	15	OP
Kumtor Stockwork Underground ⁽⁶⁾	1,700	11.4	621	UG
Kumtor SB Underground ⁽⁶⁾	3,203	17.0	1,751	UG
Total Inferred Resources	5,155	14.4	2,387	

1. The reserves have been estimated based on a gold price of \$825 per ounce.
2. Mineral resources are in addition to reserves. Mineral resources do not have demonstrated economic viability.
3. "OP" means open pit and "UG" means underground.
4. Open pit resources occur outside the current ultimate pits which have been designed using a gold price of \$825 per ounce.
5. The open pit reserves and resources at Kumtor are estimated based on a cutoff grade of 1.0 gram of gold per tonne and includes the Central Pit and the Southwest and Sarytor deposits.
6. Underground resources occur below the Central pit and are estimated based on a cutoff grade of 7.0 grams of gold per tonne.
7. A conversion factor of 31.10348 grams per ounce of gold is used in the reserve and resource estimates.
8. Numbers may not add up due to rounding.
9. Kumtor reserves and resources include Sarytor reserves of an estimated 3.5 million tonnes grading 3.3 g/t for 372,000 contained ounces, Sarytor and Southwest indicated resources of 7.0 million tonnes grading 2.3 g/t for 497,000 contained ounces and Sarytor inferred resources of 0.17 million tonnes grading 1.7 g/t for 9,000 contained ounces.
10. Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or part of the inferred mineral resources will ever be upgraded to a higher category.

Reconciliation of Gold Mineral Reserves and Mineral Resources at Kumtor
(in thousands of ounces of contained gold) ^{(5) (6)}
 (as of October 31, 2009)

	December 31 2008 ⁽¹⁾	Throughput to October 31, 2009	2009 Addition (Deletion) ⁽²⁾	October 31 2009
Mineral Reserves – Proven and Probable				
Kumtor ⁽³⁾	4,025	409	1,308	4,924
Mineral Resources – Measured and Indicated				
Kumtor ⁽⁴⁾	2,865	0	(492)	2,373
Mineral Resources – Inferred⁽⁷⁾				
Kumtor ⁽⁴⁾	34	0	(19)	15
Kumtor Stockwork Underground	757	0	(136)	621
Kumtor SB Underground	1,593	0	158	1,751
Total Inferred Mineral Resources	<u>2,384</u>	<u>0</u>	<u>3</u>	<u>2,387</u>

- (1) Centerra's share of reserves and resources as reported in Centerra's AIF filed in March 2009 on a 100% equity basis.
- (2) Changes in reserves or resources, as applicable, are attributed to information provided by drilling and subsequent reclassification of reserves or resources, an increase in the gold price, changes in pit designs, reconciliation between the mill and the resource model, and changes to operating costs.
- (3) Kumtor's reserves include the Central Pit and the Sarytor Deposit.
- (4) Kumtor open pit resources include the Central Pit and the Southwest Deposit and Sarytor Deposit.
- (5) Centerra reports reserves and resources separately. The amount of reported resources does not include those amounts identified as reserves.
- (6) Numbers may not add up due to rounding.
- (7) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or part of the inferred mineral resources will ever be upgraded to a higher category.

Kumtor's reserves and resources include the Kumtor Central pit, the Sarytor Deposit and the Southwest Deposit. Results are discussed separately below:

- a) The reserve estimate at the Kumtor main pit was prepared using a cutoff grade of 1.0 g/t gold and cutting high-grade values to 45 g/t gold. As at October 31, 2009, the proven and probable reserves are estimated at 4,924,000 ounces of contained gold at an average grade of 3.4 g/t gold, compared to 4,025,000 ounces of contained gold at an average grade of 3.5 g/t gold as at the end of 2008. This includes stockpiles of 50,000 ounces of contained gold at an average grade of 1.3 g/t gold as at October 31, 2009. Most of the increase in reserves is due to the positive exploration results and the higher gold price used for reserve estimation, which has resulted in the new design for the Central pit

Measured and indicated resources are estimated at 2,373,000 ounces of contained gold at an average grade of 2.3 g/t gold using a 1.0 g/t gold cutoff grade. These resources are not included in the reserves. This is a decrease of about 492,000 ounces of gold from the 2008 year-end measured and indicated resources and is largely attributable to conversion of resources into reserves as a result of using a higher gold price for reserve estimation.

Some of these resources may be amenable to either open pit or underground mining. Using a 7.0 g/t cutoff grade, there are approximately 4.9 million tonnes of inferred resource averaging 15.0 g/t gold for a total of 2,372,000 ounces of contained gold in addition to the measured and indicated resources quoted above.

Exploration drilling in 2009 at Kumtor has been very successful in adding significantly to reserves and resources in both the southwest extension to the SB Zone and the Stockwork Zone before accounting for production.

The shallow exploration drilling on the southwest extension of the SB Zone has extended the strike length of the deposit by a further 350 metres to the southwest of the 2008 year-end resource model. A significant portion of the new ounces identified by this drilling, 341,000 ounces of contained gold, fall within the new open pit design and therefore are included in the new in-pit proven and probable reserves.

In addition, this southwest expansion of the pit also captured 155,000 ounces of contained gold that were previously classified as part of the high-grade underground SB Zone inferred resource, that are now within the new open pit design, and therefore are included in the Kumtor central pit proven and probable reserves. The shallow drilling also identified an estimated 313,000 new ounces of contained gold beneath the 2008 open pit design that were added to the 2008 year-end high-grade underground SB Zone inferred resource. This addition, offset by the 155,000 ounces of contained gold reclassified as open pit reserves, has resulted in a net increase of an estimated 158,000 ounces of contained gold to the high-grade underground SB Zone inferred resource.

The update has also had a significant impact on the Stockwork Zone. The exploration drilling expanded the high grade underground Stockwork Zone inferred resource down dip adding 107,000 ounces of contained gold to the 2008 year-end resource model. The increased gold price used for reserve estimations and pit design has resulted in a significant expansion of the northeast end of the Kumtor pit. This expansion has captured an estimated 243,000 ounces of contained gold previously included in the high-grade underground Stockwork Zone inferred resource that has now been upgraded and included in the Kumtor in-pit proven and probable reserves. This has resulted in a net decrease of 136,000 ounces of contained gold to the high-grade underground Stockwork Zone inferred resource from the 2008 year-end statement.

Other changes to the reserves and resources are primarily related to the increased gold price used for reserve estimation and pit design. The expansion of the pit has resulted in the reclassification of 733,000 ounces of contained gold, which were previously classified as measured and indicated resources in the 2008 year-end estimate, into proven and probable reserves. In addition, an estimated 302,000 ounces of contained

gold were added to the measured and indicated pit resources as a result of the exploration drilling and upgrading of inferred resources.

The update of the resource model also included changes to modeling parameters reflecting experience from mining in the SB Zone. Capping levels on gold values have been reduced from 70 g/t gold and 35 g/t gold depending on location to 45 g/t gold for the open pit reserve estimation. This has resulted in a reduction of proven and probable pit reserves by 255,000 ounces of contained gold.

Capping levels have been maintained at 70 g/t gold for estimation of the high-grade underground inferred resource.

- b) The Sarytor Deposit at Kumtor is a satellite deposit located five kilometers from the Kumtor mill. Using a cutoff grade of 1.0 g/t gold and cutting high-grade values to 30 g/t gold, this zone is estimated to contain probable reserves of 372,000 ounces of contained gold at an average grade of 3.3 g/t gold. Indicated resources are estimated at 285,000 ounces of contained gold at an average grade of 2.1 g/t gold.

An improvement in the Sarytor pit design has resulted in the addition of an estimated 61,000 ounces of contained gold to the probable reserves that were previously classified as measured and indicated resources in the 2008 year-end statement.

- c) The Southwest Deposit is a satellite deposit located three kilometres from the Kumtor mill. Mining of reserves of the Southwest Deposit was completed in March 2008. Measured and indicated resources remaining at the Southwest Deposit are estimated at 212,000 ounces of contained gold at an average grade of 2.5 g/t gold.

Life-of-Mine Plan

The Kumtor life-of-mine plan is based only on open pit reserves and has no provision for production from the underground mining activities.

Kumtor Life-of-Mine Plan, Mine and Mill Production Forecast

(thousands of tonnes of ore and waste and ounces of gold)

		2009 ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017	Total
Mining Central Pit											
Ore	Tonnes	1,939	5,562	4,615	4,896	4,101	3,220	10,358	5,833		40,524
Grade	Au (g/t)	6.3	3.8	3.5	4.8	3.4	2.9	2.6	2.9		3.5⁽³⁾
Waste	Tonnes	20,021	128,630	178,971	155,416	139,635	150,351	86,367	13,461		872,852
Strip Ratio		10.3	23.1	38.8	31.7	34.0	46.7	8.3	2.3		21.5⁽³⁾
Mining Sarytor Pit											
Ore	Tonnes				367	3,160					3,527
Grade	Au (g/t)				2.5	3.4					3.3⁽³⁾
Waste	Tonnes				39,633	18,268					57,901
Strip Ratio					108.0	5.8					16.4⁽³⁾
Total Mining											
Ore	Tonnes	1,939	5,562	4,615	5,263	7,261	3,220	10,358	5,833		44,051
Grade	Au (g/t)	6.3	3.8	3.5	4.6	3.4	2.9	2.9	2.9		3.4⁽³⁾
Waste	Tonnes	20,021	128,630	178,971	195,049	157,903	150,351	86,367	13,461		930,753
Strip Ratio		10.3	23.1	38.8	37.1	21.7	46.7	8.3	2.3		21.1
Stockpile Closing Inventory											
Tonnes	1,162 ⁽²⁾	2,098	1,736	747	405	2,060	0	4,549	4,656	0	
Au (g/t)	1.3	2.9	3.8	4.2	16.9	5.2	0	1.7	1.7	0	
Milling											
Ore	Tonnes	1,004	5,924	5,605	5,605	5,605	5,280	5,809	5,725	4,656	45,213
Grade	Au (g/t)	7.6	3.5	3.5	3.7	3.7	3.5	3.4	3.1	1.7	3.4⁽³⁾
Recovery	%	87.4	81.6	81.3	82.6	82.5	81.3	82.8	81.5	72.1	81.7⁽³⁾
	Ounces	216	541	515	550	544	481	518	471	187	4,023

(1) From November 1, 2009 to December 31, 2009.

(2) Closing Ore Stockpile Inventory at October 31, 2009.

(3) Weighted Average.

Kumtor Projected Operating and Capital Costs, From November 1, 2009 – 2017

	2009 ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017	Total
<u>Production</u>										
Mining Ore & Waste (tonnes x 1000)	21,960	134,192	183,586	200,312	165,164	153,571	96,725	19,294	0	974,804
Milling (tonnes x 1000)	1,004	5,924	5,608	5,608	5,608	5,280	5,809	5,725	4,656	45,213
Gold Produced (ounces x 1000)	216	541	515	550	544	481	518	471	187	4,023
<u>Operating Costs</u>										
Mining (\$ x 1000) (Less Capitalized Pre-stripping)	18,528	141,973	160,774	148,805	186,635	167,392	110,267	21,609	0	955,983
Milling (\$ x 1000)	9,313	58,470	58,516	58,348	58,516	55,123	60,646	56,678	55,127	470,737
Administration (\$ x 1000)	9,342	49,347	49,380	49,212	49,380	46,517	51,177	47,804	46,513	398,672
Refining and Management Fees (\$ x 1000)	972	2,435	2,318	2,475	2,448	2,165	2,331	2,120	842	18,104
Open Pit Operating Cost Total (\$ x 1000)	43,401	252,225	270,988	258,840	296,980	271,197	224,421	128,210	102,482	1,843,496
<u>Unit Operating Costs</u>										
										Average
Mining (ore and waste \$ per tonne) ⁽⁴⁾	0.84	1.07	1.16	1.22	1.13	1.09	1.14	1.12	0	1.13
Milling (\$ per tonne milled)	9.28	9.87	10.44	10.41	10.44	10.44	10.44	9.90	11.84	10.41
Administration (\$ per tonne milled)	9.30	8.33	8.81	8.78	8.81	8.81	8.81	8.35	9.99	8.82
Cash Cost per Ounce of Gold (\$) ⁽²⁾	177	466	526	471	546	564	433	272	548	458
<u>Capital and Other Costs</u>										
										Total
New Revenue Based Taxes (\$ x 1000) ⁽³⁾	24,948	62,486	59,483	63,525	62,832	55,556	59,829	54,401	21,599	464,657
Capitalized Pre-Stripping (\$ x 1000)		1,612	52,186	95,576						149,374
Open Pit Sustaining Capital (\$ x 1000)		65,026	50,507	25,775	16,850	12,850	6,000	2,000	0	179,008
Open Pit Expansion Capital (\$ x 1000)		90,433	13,223	6,900	17,920	15,100	5,500	3,750	1,750	154,576
Total Capital and Other (\$ x 1000)	24,948	219,557	175,399	191,776	97,602	83,506	71,329	60,151	23,349	947,615

(1) For period of November 1, 2009 to December 31, 2009.

(2) Cash Cost per ounce is a Non-GAAP measured and does not include the new revenue-based taxes.

(3) As defined by the Restated Investment Agreement and uses an \$825 per ounce gold price.

(4) Unit mining operating costs include capitalized pre-stripping costs.

The Kumtor life-of-mine plan has been revised and extended to 2017 as a result of expanding both the Central and Sarytor Pits and a remedial plan to manage the high movement area of the historical waste dump in the southeast highwall of the Central pit.

Pit Expansion

- The Central pit will be increased by 37% (by tonnes) with expansions of the mining limits in both the northeast highwall of the Stockwork Zone and the southwest wall of the SB Zone. The Sarytor pit has been expanded by 25% (by tonnes).

- The ultimate pit bottom in the Stockwork Zone will now be at the 3,722 metre elevation level compared to the prior mine plan of 3,778 metre elevation. The ultimate pit bottom of the SB Zone section of the pit will remain at the 3,642 metre elevation but has been elongated along strike to the southwest.
- Pre-stripping of the Stockwork highwall is scheduled to begin in December 2010 and will release significant levels of ore by mid-2013.
- Pre-stripping of the Sarytor pit will begin in the 2012 and mining of the current Sarytor pit reserves will be completed in 2013.
- Overall mining production rates will increase from current rates of 330,000 tonnes of ore and waste per day to a peak level of 530,000 tonnes of ore and waste per day in 2012 before declining in subsequent years.
- The significant ramp-up in the mining production rate over the next three years will require \$155 million of growth capital for additional mining equipment.

Remedial Plan to Manage the High Movement Area

- As reported in Centerra's third quarter disclosure, an approximately 800 metre section of the historical waste dump and original glacial ice continues to creep at rates as high as 50 mm/h (36m/month) into the SB Zone section of the central pit. These levels of creep movement were not anticipated in the life-of-mine plan contained in the March 2008 Kumtor technical report. During 2009, mining capacity had to be diverted to manage the creep movement, which has resulted in a delay in reaching the high-grade SB Zone ore. In recent weeks the average rates of movement in this area have reduced, likely due to seasonal reductions in melt water, unloading of the waste dump material and the positive impacts of increased depressurization and dewatering efforts. However, Centerra believes that creeping of this section of the pit wall will continue for the next several years and has thus developed plans to manage the anticipated movement.

In response to this anticipated continued creep movement, the updated life-of-mine plan allocates significant levels of mining capacity ranging from 20 to 60 thousand tonnes per day for the period from 2010 to 2012 to a geotechnical remediation plan for the removal and management of this section of historical waste dump and glacial ice. This allocation of mining capacity will result in an overall extension in the timeline to complete mining the SB Zone and a reduction of 140,000 ounces in gold produced from 2010 to 2012 compared to production guidance provided by Centerra on July 30, 2009. A portion of these ounces will be displaced into later years and Centerra believes that this remediation plan will provide a more stable and achievable production profile over the life-of-mine for the central pit.

To view an updated Kumtor Long Section, showing the changes in the open pit design, please visit the following link: <http://media3.marketwire.com/docs/cg1207.pdf>

Boroo Mine

At the Boroo mine, there was no significant change as a result of updating the reserves and resources. In the updated life-of-mine plan, some of the transitional ore scheduled for milling has been deferred into future years to take advantage of higher recoveries and revenues from processing using the planned Bio-oxidation circuit when it is in operation.

Reserves and Resources

Boroo Mineral Reserve and Resource Summary

(as of October 31, 2009)

Reserves ⁽¹⁾	(Tonnes and ounces in thousands) ⁽⁶⁾⁽⁷⁾									
	Proven			Probable			Total Proven and Probable Mineral Reserves			
Property	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Mining Method ⁽³⁾
Boroo ⁽¹⁾⁽⁵⁾	9,923	0.9	274	6,426	1.7	341	16,349	1.2	615	OP

Measured and Indicated Resources ⁽²⁾	(Tonnes and ounces in thousands) ⁽⁶⁾⁽⁷⁾									
	Measured			Indicated			Total Measured and Indicated Mineral Resources			
Property	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Mining Method ⁽³⁾
Boroo ⁽⁴⁾⁽⁵⁾	452	2.2	32	4,464	1.5	210	4,916	1.5	242	OP

Inferred Mineral Resources ⁽²⁾	(Tonnes and ounces in thousands) ⁽⁶⁾⁽⁷⁾⁽⁸⁾			
	Inferred			Mining Method ⁽³⁾
Property	Tonnes	Grade (g/t)	Contained Gold (oz)	Mining Method ⁽³⁾
Boroo ⁽⁴⁾⁽⁵⁾	7,323	1.0	233	OP

1. The reserves have been estimated based on a gold price of \$825 per ounce.
2. Mineral resources are in addition to reserves. Mineral resources do not have demonstrated economic viability.
3. "OP" means open pit.
4. Open pit resources occur outside the current ultimate pits which have been designed using a gold price of \$825 per ounce.
5. The reserves and resources at Boroo are estimated based on a 0.5 g/t of gold cutoff grade.
6. A conversion factor of 31.10348 grams per ounce of gold is used in the reserve and resource estimates.
7. Numbers may not add up due to rounding.
8. Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or part of the inferred mineral resources will ever be upgraded to a higher category.

Reconciliation of Gold Mineral Reserves and Mineral Resources Boroo (in thousands of ounces of contained gold)⁽⁴⁾⁽⁵⁾

(as of October 31, 2009)

	December 31 2008 ⁽¹⁾	Throughput to October 31, 2009 ⁽²⁾	2009 Addition (Deletion) ⁽³⁾	October 31 2009
Mineral Reserves – Proven and Probable				
Boroo	778	188	25	615
Mineral Resources – Measured and Indicated				
Boroo	242	0	0	242
Mineral Resources – Inferred⁽⁶⁾				
Boroo	233	0	0	233

- (1) Centerra's share of reserves and resources as reported in Centerra's AIF filed in March 2009 on a 100% equity basis.
- (2) Corresponds to mill and heap leach pad feed. The discrepancy between the 2009 throughput and 2009 ounces of gold produced is due to gold recovery in the mill and heap leach pad.
- (3) Changes in reserves or resources, as applicable, are attributed to information provided by drilling and subsequent reclassification of reserves or resources, an increase in the gold price, changes in pit designs, reconciliation between the mill and the resource model, and changes to operating costs.
- (4) Centerra reports reserves and resources separately. The amount of reported resources does not include those amounts identified as reserves.
- (5) Numbers may not add up due to rounding.
- (6) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined legally or economically. It cannot be assumed that all or part of the inferred mineral resources will ever be upgraded to a higher category.

- Based on the updated block model, reserve and resource estimates were prepared by Centerra's geological and mine engineering staff using a cutoff grade of 0.5 g/t gold.
- The proven and probable reserves as at October 31, 2009, including the stockpiles, are estimated at 615,000 ounces of contained gold, compared to 778,000 ounces of contained gold as at the year-end 2008. In the first ten months of 2009 (to October 31), 135,000 contained ounces of gold were fed to the mill, and 53,000 ounces of contained gold were added to heap leach pad. The remaining reserves are divided about equally between heap leach and milling. The processing of some of the transitional ore has been deferred until the new Bio-oxidation circuit is in place.
- Measured and indicated resources are estimated at 242,000 ounces of contained gold using the same cutoff grade as the reserve estimate.

2010 Preliminary Production Outlook

Centerra's preliminary 2010 consolidated gold production is forecast to be in the 660,000 to 680,000 ounces range. The Kumtor mine is expected to produce approximately 540,000 ounces in 2010, which excludes any production from the nearby Sarytor deposit. Kumtor's first quarter 2010 gold production profile is expected to be higher than the first quarter of 2009 as high-grade stockpiled material will be processed. The planned mining sequence for the year has approximately 28% of gold production being recovered in the first quarter and 43% in the fourth quarter. In the second quarter of 2010, the Company anticipates a shutdown of the Kumtor mill to change the ball mill ring gear and to replace the mill liners.

At Boroo/Gatsuurt, gold production is forecast to be 120,000 to 140,000 ounces, which assumes the Company has received the final operating permit for the Boroo Heap Leach facility and the commencement of processing of oxide ore from the Gatsuurt project in the second half of 2010.

Major Assumptions

The following material assumptions have been used in the life-of-mine plans. In particular, material assumptions or factors used to forecast production and costs include the following:

- a gold price of \$825 per ounce,
- exchange rates:
 - \$1USD:\$1.04CAD
 - \$1USD:43.5 Kyrgyz Som
 - \$1USD:1,390 Mongolian Tugrik
- diesel price assumption:
 - \$0.61/litre at Kumtor
 - \$0.81/litre at Boroo

Diesel fuel is sourced from separate Russian suppliers for both sites and only loosely correlates with world oil prices. The diesel fuel price assumptions were made when the price of oil was about \$75 per barrel.

Other important assumptions that are implicit in the Company's reserve and resource and production estimates, and life-of-mine plans are as follows:

- grades and recoveries at Kumtor will remain consistent with the life-of-mine plan to achieve the forecast gold production,
- the dewatering and depressurization programs at Kumtor continue to produce the expected results and the water management system works as planned,
- the remedial plan to deal with the Kumtor waste and ice movement is successful, see "Kumtor Mine - Remedial Plan to Manage the High Movement Area" above,
- the equipment to execute the Company's remedial plan to manage the high movement area at Kumtor is available for purchase and will be delivered on time,
- a major ramp-up in mining production at Kumtor,
- no further delays in or interruption of scheduled production from our mines, including due to natural phenomena, labour or regulatory disputes or other developmental and operational risks,
- certain issues at Boroo raised by the General Department of Specialized Inspection ("SSIA") concerning state alluvial reserves will be resolved through negotiation without material adverse impact on the Company, see "Major Assumptions - Mongolian Regulatory Matters" below,
- issues concerning value added taxes ("VAT") at Boroo raised by the Ministry of Finance will be resolved through negotiation without material adverse impact on the Company,
- Boroo ore does not become more refractory in nature affecting mill recoveries,
- no further suspension of Boroo's operating licenses,
- Boroo receives the final operating permit for the heap leach facility,
- the commitment of capital for developing the Gatsuurt sulphides is dependant on signing an acceptable investment agreement with the Government of Mongolia,
- the development of Gatsuurt will be exempt from the new forest and water basin legislation in Mongolia, see "Major Assumptions - Mongolian Law Affecting Licenses" below,
- prices for fuel oil, reagents and other consumables will remain consistent with Company estimates,
- all necessary permits, licences and approvals are received in a timely manner, and
- the life-of-mine plans do not make allowance for inflation, changes in exchange rates and movements in the gold price.

Production and cost forecasts are forward-looking information and are based on key assumptions and subject to material risk factors that could cause actual results to differ materially and which are discussed under the heading "Cautionary Note Regarding Forward-Looking Information".

Risk Factors

Kumtor Mill Shutdown

In March 2008, an unplanned shutdown of the ball mill at Kumtor was required to repair the ring gear which had failed. The repair was completed in late March and the ball mill returned to full operation. The successful repair of the ring gear is considered a temporary repair which will require full replacement; this was originally planned for the third quarter of 2009. This replacement has been postponed until late second quarter of 2010 to enable uninterrupted

processing of higher-grade material in the first quarter of 2010. The Company's expectation is that the temporary repair will last until then.

Similarly, the maintenance and change out of the Kumtor SAG mill liner which was scheduled for the third quarter of 2009 has been postponed until early-third quarter of 2010. However should the current liner and/or the ring gear not last until the end of the year, an unplanned shutdown would be required which would have an adverse affect on the production, costs and earnings of the Company.

Further Creep of Waste and Ice Material at Kumtor

During 2009, continued movement of waste and ice from the South East Ice Wall into the Kumtor open pit required the mining of ice and waste which reduced the production of ore. While management has developed a plan to manage this movement there is no guarantee that these efforts will avert further negative impact on the Company's expected production, costs and earnings. See "Remedial Plan to Manage the High Movement Area" above.

Although extensive efforts are employed by Centerra to prevent further ground, and waste and ice movements, there is no guarantee against further ground, and waste and ice movements. Future movements could result in a significant interruption of operations. Centerra may also experience a loss of reserves or a material increase in costs, if it is necessary to redesign the open pit as a result of ground or waste and ice movements. The consequences of a ground movement or further waste and ice movement into the Kumtor open pit will depend upon the magnitude, location and timing of any such movement. If mining operations are interrupted to a significant magnitude or the mine experiences a significant loss of reserves or materially higher costs of operation, this would have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

Mongolian Regulatory Matters

On June 12, 2009, the main operating licenses at the Company's Boroo mine were suspended by the Minerals Resources Authority of Mongolia ("MRAM") following extensive inspections of the Boroo mine operation conducted by the General Department of Specialized Inspection ("SSIA"). In its report, the SSIA expressed its view that a number of deficiencies existed at the Boroo mine. After discussions by Centerra and its subsidiaries with both the MRAM and the SSIA, the suspension of the operating licenses was lifted on July 27, 2009. Despite the lifting of the suspension, several issues arising from the inspections continue to be discussed by Centerra and the Mongolian regulatory authorities.

In particular, on October 23, 2009, the Company received a significant claim for compensation from the SSIA in respect of certain mineral reserves, including state alluvial reserves covered by the Boroo mine licenses, that are recorded in the Mongolian state reserves registry but for which there are no or incomplete records or reports of mining activity. The Company disputes the claim. While the Company cannot give assurances, it believes settlement will be concluded through negotiation and will not result in a material impact. In addition, the SSIA inspections raised a concern about the production and sale of gold from the Boroo heap leach facility. The Company understands that this matter has been referred to the Mongolian Ministry of Finance for review but has received no official notice of any concern. Furthermore, on November 2, 2009, Centerra received a letter from the Mongolian Ministry of Finance re-iterating some of the issues raised by the SSIA and indicating that the Boroo Stability Agreement would be terminated if such issues

were not resolved within a period of 120 days from the date of the letter. The Company is in discussions with the Ministry of Finance regarding such concerns.

While the Company believes that the issues raised by the Ministry of Finance will be resolved through negotiations with the authorities without a material impact on the Company, there can be no assurance that this will be the case.

Mongolian Law Affecting Licenses

In July 2009, the Mongolian Parliament enacted legislation that would prohibit mineral prospecting, exploration and mining in water basins and forest areas in the territory of Mongolia and provides for the revocation of licenses affecting such areas. Regulations under the new legislation, which will specify the affected licenses, have not been prepared or published. The Company also understands that prior to the law becoming effective the Mongolian government will undertake physical surveys and consult with local officials to determine which, if any, existing licenses will be subject to the new law. The legislation provides a specific exemption for “mineral deposits of strategic importance”, and accordingly, the main Boroo mining licenses will not be subject to the law. The Company’s Gatsuurt licenses and its other extensive exploration license holdings in Mongolia are currently not so exempt. However, the Company is reasonably confident that the economic and development benefits resulting from its exploration and development activities will ultimately result in the law having a limited impact on the Company’s Mongolian activities.

Qualified Person

The resource and reserve estimates, life-of-mine plans and other scientific and technical information in this news release and on Centerra’s website were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and were 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 a qualified person for the purpose of NI 43-101.

Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Kumtor site are described in Centerra’s most recently filed Annual Information Form (the “AIF”) and in a technical report dated March 28, 2008 prepared in accordance with NI 43-101. The AIF and technical report have been filed on SEDAR at www.sedar.com. An updated NI 43-101 technical report is being prepared and will be completed and filed on SEDAR in the near-term.

Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Boroo site are the same as, or similar to, those described in the AIF and a technical report dated May 13, 2004 prepared in accordance with NI 43-101, which are available on SEDAR at www.sedar.com. An updated NI 43-101 technical report is being prepared and will be completed and filed on SEDAR in the near-term.

The Gatsuurt deposit is described in the AIF and in a technical report dated May 9, 2006 prepared in accordance with NI 43-101. The AIF and technical report have been filed on SEDAR at www.sedar.com. The technical report describes the exploration history, geology and style of gold mineralization at the Gatsuurt deposit. Sample preparation, analytical techniques, laboratories

used and quality assurance-quality control protocols used during the drilling programs at the Gatsuurt project are the same as, or similar to, those described in the technical report.

The REN project is described in the AIF and in a technical report dated June 15, 2004 prepared in accordance with NI 43-101. The AIF and technical report have been filed on SEDAR at www.sedar.com. The technical report describes the exploration history, geology and style of gold mineralization at the REN project. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at REN are the same as, or similar to, those described in the technical report.

Cautionary Note Regarding Forward-looking Information

Statements contained in this news release and the documents referred to 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 the remaining outstanding issues at the Boroo mine relating to the suspension of the Boroo licenses in June 2009, the receipt of a final permit to operate the heap leach operation at the Boroo mine, fluctuations in the gold price, replacement of reserves, reduction in reserves related to geotechnical risks, ground 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, costs associated with movement of ice and waste at the Kumtor mine, 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 AIF, Annual Management's Discussion and Analysis, and the third quarter Management Discussion and Analysis for the quarter ended September 30, 2009 and available on SEDAR at www.sedar.com.

Reserve and resource figures included are estimates and Centerra can provide no assurances that the indicated levels of gold will be produced or that Centerra will receive the gold price assumed in determining its reserves. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While Centerra believes that the reserve and resource estimates included are well established and are the best estimates of Centerra's management, reserve and resource estimates by their nature are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable.

Mineral resources are not mineral reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and indicated resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resource. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources of any category can be upgraded to mineral reserves through continued exploration.

A mineral reserve is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Centerra reports mineral reserves separate from mineral resources.

Furthermore, market price fluctuations in gold, as well as increased capital or production costs or reduced recovery rates may render ore reserves containing lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. Economic and technological factors which may change over time always influence the evaluation of reserves or resources.

Centerra has not adjusted resources figures included herein in consideration of these risks and, therefore, Centerra can give no assurances that any resource estimate will ultimately be reclassified as proven and probable reserves.

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 December 7, 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.

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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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