



NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold Updates Reserves and Resources 2.3 Million Ounces of Reserves added to the Main Kumtor Pit SB Zone

Toronto, Canada, January 23, 2006: Centerra Gold Inc. (TSX: CG) today issued updated estimates on the reserves and resources at its operating mines and advanced projects. At the Kumtor Mine 2.3 million ounces of reserves have been added, before accounting for mining of 614,000 ounces of contained gold in 2005, with almost all of this addition being the result of drilling at the SB Zone at the south end of the currently operating pit. Reserve grade has also increased by 18% from 3.3 g/t to 3.8 g/t gold due to the higher grade mineralization being delineated in the SB Zone. An assessment of the additional capital expenditures required to develop these reserves is nearing completion. At the Boroo Mine 349,000 ounces have been added, which replaces reserves mined in 2005. Additionally, 2.5 million ounces of measured and indicated resources have been added to Centerra's resource base.

As of December 31, 2005, on a 100% project basis, Centerra's proven and probable reserves totaled 6.2 million ounces of contained gold (Centerra's share is 6.1 million ounces), which includes an increase of 2.7 million ounces offset by 917,000 ounces mined in 2005.

As of December 31, 2005, on a 100% project basis, Centerra's measured and indicated resources totaled 6.3 million ounces of contained gold (Centerra's share is 5.8 million ounces), which includes an increase of 2.5 million ounces over the December 31, 2004 figures.

The significant increase in reserves and resources comes from the excellent results of exploration drilling. There is only a minimal increase attributable to using a gold price of \$400 per ounce in 2005, up from \$375 per ounce in the 2004 reserve estimation.

Len Homeniuk, President and CEO of Centerra Gold said: "Based on these remarkable results we believe that Centerra's long term exploration potential is outstanding and will contribute many more years of production. During 2006 our aggressive exploration program will be continued and expenditures are expected to be \$21 million."

Exploration at Kumtor in 2006 will be focused on extending the SB Zone down dip and along strike where the high grade nature of the mineralization offers the potential for further exploitation. Additional drilling is also planned for the NB Zone, at the north end of the pit, to test for strike extensions of the mineralization to the north. At Kumtor planned exploration expenditures for 2006 are \$11.4 million.

Kumtor Drilling Update

During December and January the Company completed a further five drill holes to test the SB Zone at the south end of the Kumtor pit. One hole was drilled to infill between existing holes and four holes tested the dip extensions beneath existing holes. The highlights of the results are shown in the table below. All holes intersected significant mineralization with the holes returning intercepts from 5.1 to 15.9 g/t Au over down hole core lengths ranging from 46.9 to 91.6 metres. True widths for the mineralized zones are typically from 70% to 95% of the stated intercepts. The SB Zone has now been delineated over a 280 metre strike length and remains open along strike to the south and in the down dip direction. The zone has been confirmed in the down dip direction over intervals ranging from 70 to 520 metres on various drill sections.

Three of the drill holes were included in the updated resource model developed for reserve estimation and are included in the additional reserves reported here. Holes D1030A and D1039A were completed after the resource model had been prepared. Both holes have extended the mineralized zone down dip from the current resource model.

Complete listings of exploration drill results, and supporting maps and selected cross-sections for the SB Zone and NB Zone, for the period December 5, 2005 to January 16th 2006, at the Kumtor pit are available at the company's website at:

www.centerragold.com/properties/exploration_update_January_2006/

Where applicable, drilling results discussed and shown in this release and on the company's website have been compiled using similar criteria to those used in estimating the company's resources for Kumtor. Pertinent criteria are provided with the drilling results on the company's website.

Kumtor Drilling Highlights for December 2005 to 16th January 2006

Holes Included in December 31, 2005 Reserve Estimate						
Drill Hole #	Location	Zone	From (m)	To (m)	Core Length (m)	Au (g/t)
D1031	South end	SB zone	290.8	368.1	77.3	7.39
	Down Dip	incl.	309.4	335.5	26.1	17.43
D1032	South End	SB zone	246.6	297.0	50.4	15.89
	Infill	incl.	252.8	282.5	29.7	23.59
D1040	South end	SB zone	364.8	456.4	91.6	6.36
	Down Dip	incl.	369.0	391.7	22.7	18.43

New Holes Not Included in December 31, 2005 Reserve Estimate

Drill Hole #	Location	Zone	From (m)	To (m)	Core Length (m)	Au (g/t)
D1030A	South end	SB zone	343.1	390.0	46.9	5.05
	Down Dip		incl. 349.0	366.0	17.0	9.35
D1039A	South end	SB zone	380.0	451.0	71.0	10.13
	Down Dip		incl. 413.0	434.0	21.0	24.88

Note: True widths for the mineralized zones are typically from 70% to 95% of the stated intercepts.

Reserve and Resource Summary

Reserves ⁽¹⁾	(Tonnes and ounces in thousands) ⁽⁹⁾										
	Proven			Probable			Total Proven and Probable Reserves				
Property	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Centerra Share (oz) ⁽²⁾	Mining Method ⁽³⁾
Kumtor	17,600	3.7	2,099	22,562	3.9	2,854	40,162	3.8	4,953	4,953	OP
Boroo	8,810	2.8	774	4,580	3.0	444	13,390	2.8	1,218	1,157	OP
Total	26,410	3.4	2,873	27,142	3.8	3,298	53,552	3.6	6,171	6,110	

Measured and Indicated Resources	(Tonnes and ounces in thousands) ⁽⁹⁾										
	Measured			Indicated			Total Measured and Indicated Resources				
Property	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Centerra Share (oz) ⁽²⁾	Mining Method ⁽³⁾
Kumtor ⁽⁴⁾⁽⁵⁾	13,406	3.8	1,634	10,601	4.1	1,387	24,007	3.9	3,021	3,021	OP + UG
Boroo ⁽⁴⁾⁽⁶⁾	1,870	2.4	147	782	2.2	54	2,652	2.4	201	191	OP
Gatsuurt ⁽⁷⁾				18,597	3.1	1,854	18,597	3.1	1,854	1,854	OP
REN ⁽⁸⁾				2,753	13.6	1,201	2,753	13.6	1,201	746	UG
Total	15,276	3.6	1,781	32,733	4.3	4,496	48,009	4.1	6,277	5,812	

Inferred Resources	(Tonnes and ounces in thousands) ⁽⁹⁾				
	Inferred			Centerra Share (oz) ⁽²⁾	Mining Method ⁽³⁾
Property	Tonnes	Grade (g/t)	Contained Gold (oz)		
Kumtor ⁽⁴⁾⁽⁵⁾	5,475	4.6	803	803	OP & UG
Boroo ⁽⁴⁾⁽⁶⁾	2,563	2.0	167	159	OP
Gatsuurt ⁽⁷⁾	3,980	3.0	378	378	OP
REN ⁽⁸⁾	301	13.2	128	80	UG
Total	12,319	3.7	1,476	1,420	

- (1) The reserves have been estimated based on a gold price of \$400 per ounce.
- (2) Centerra's equity interests are: Kumtor 100%, Gatsuurt 100%, Boroo 95% and REN 62%.
- (3) "OP" means open pit and "UG" means underground.
- (4) Open pit resources occur beneath the current ultimate pit designs using a gold price of \$400 per ounce.
- (5) The open pit resources at Kumtor are estimated based on a cutoff grade of 1.3 grams per tonne. Underground resources occur below the main Kumtor pit shell and are estimated based on a cutoff grade of 5.0 grams per tonne.
- (6) The resources at Boroo are estimated based on a variable cutoff grade depending on the type of material and the associated mill recovery. The cutoff grades range from 0.9 grams per tonne to 1.1 grams per tonne.

- (7) The resources at Gatsurt are estimated based on a cutoff grade of 1.6 grams per tonne.
- (8) The resources at REN are estimated based on a cutoff grade of 8.0 grams per tonne.
- (9) A conversion factor of 31.10348 grams per ounce of gold is used in the reserve and resource estimates.

The Kyrgyz Republic

Kumtor Mine

Kumtor's reserves and resources include the Kumtor main pit, the Southwest Zone and the Sarytor Zone. Results for the Kumtor Pit and the two satellite deposits are discussed separately below:

- a) The reserve estimate at the Kumtor main pit was prepared using a cutoff grade of 1.3 g/t gold and cutting high grade values to 60 g/t gold, which are the same parameters used in the 2004 reserve estimate. The proven and probable reserves, including the stockpiles, are estimated at 4,670,000 ounces of contained gold at an average grade of 3.9 g/t gold, compared to 2,966,000 ounces of contained gold at an average grade of 3.3 g/t gold as at the end of 2004. In 2005, 614,000 contained ounces of gold were fed to the mill, and 2,318,000 ounces of contained gold were added to the reserves. Most of the increase in reserves is due to the positive exploration results and the resulting new pit design for the SB Zone.

Measured and indicated resources are estimated at 2,705,000 ounces of contained gold at an average grade of 4.0 g/t gold using a 1.3 g/t gold cutoff grade. These resources are not included in the reserves. This is a increase of about 940,000 ounces of gold from the 2004 year-end measured and indicated resources and is largely attributable to positive exploration results in the NB Zone.

These resources may be amenable to either open pit or underground mining. Using a 5.0 g/t cutoff grade, there are approximately 5.3 million tonnes of material averaging 8.2 g/t gold for a total of 1,400,000 ounces of contained gold within the measured and indicated resources quoted above.

- b) The Southwest Zone at Kumtor is a satellite deposit located three kilometres southwest of the Kumtor mill. Reserve and resource models have not been updated for the Southwest Zone during 2005 due to the limited amount of drilling completed in 2005 in the vicinity of the resource area. Using a cutoff grade of 1.3 g/t gold and cutting high grade values to 60 g/t gold, this zone is estimated to contain probable reserves of 283,000 ounces of contained gold at an average grade of 3.2 g/t gold and additional indicated resources of 149,000 ounces of contained gold at an average grade of 3.8 g/t gold. To be consistent with our other operations inferred resources totaling 285,000 ounces of contained gold have been reclassified and removed from the resource statement.
- c) The Sarytor Zone at Kumtor is a satellite deposit located five kilometers from the Kumtor mill that was drilled during 2005. Using a cutoff grade of 1.3 g/t gold and cutting high grade values to 20 g/t gold, this zone is estimated to contain indicated resources of 167,000 ounces of contained gold at an average grade of 3.0 g/t gold. Inferred resources are estimated at 246,000 ounces of contained gold at an average grade of 2.7 g/t gold.

The Sarytor Zone has been significantly upgraded in 2005 and additional drilling is planned for 2006.

Based on these estimates, the additional reserves will extend the Kumtor mine life by almost three years.

The Kumtor deposit is described in Centerra's prospectus dated June 22, 2004 and in a technical report dated May 2004 prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects (“NI 43-101”) of the Canadian Securities Administrators. The prospectus and technical report have been filed on the System for Electronic Document Analysis and Retrieval (“Sedar”) at www.sedar.com. The technical report describes the exploration history, geology and style of gold mineralization at the Kumtor deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Kumtor site and satellite deposits are the same as, or similar to, those described in the technical report. A new NI 43-101 technical report is being prepared and will be completed and filed on Sedar before March 10, 2006.

Mongolia

Boroo Mine

- Reserva International LLC updated the existing resource block model and completed a new resource estimate for the Boroo mine. Based on the updated block model, reserve and resource estimates were prepared by Centerra's geological and mine engineering staff using cutoff grades ranging from 0.9 g/t gold to 1.1 g/t gold depending upon the type of material and the associated gold recovery. High grade values were also cut using variable limits ranging from 20 g/t gold to 90 g/t gold depending on the mineralized zone.
- On a 100% project basis, the proven and probable reserves, including the stockpiles, are estimated at 1,218,000 ounces of contained gold, compared to 1,172,000 ounces of contained gold as at the year-end 2004. In 2005, 303,000 contained ounces of gold were fed to the mill, and 349,000 ounces of contained gold were added to the reserves. This will extend the mine life by over one year. The additional reserves are a result of exploration success and a pit expansion to the north of Pit 6, and changes in pit designs for Pits 3 and Pit 2.
- Measured and indicated resources are estimated at 201,000 ounces of gold using the same variable cutoff grades as the reserve estimate. These resources are in addition to the proven and probable reserves and are similar in magnitude to the resources reported last year.
- The Boroo deposit is described in a NI 43-101 technical report dated May 2004 and in Centerra's prospectus dated June 22, 2004, which are available on Sedar at www.sedar.com

Gatsuurt Project

- The Gatsuurt deposit is located 35 kilometers east of the Boroo Mine.
- A NI 43-101 technical report for the Gatsuurt project was prepared by Roscoe Postle Associates Inc., (“RPA”), dated January 27th 2005, which is available on www.sedar.com.

- The Company published an updated resource estimate for the Gatsurt Central Zone in a news release on April 29th 2005, which is available on the company's web site and on www.sedar.com.
- Subsequent to the April release additional infill and exploration drilling has been completed on both the Gatsurt Central and Main Zones. The updated resource estimates for both zones are reported on a consolidated basis in the table above.
- An updated Central Zone resource estimate using a 1.6g/t cutoff grade shows a slight increase in overall tonnage, grade and resource ounces as compared to the prior estimate on April 29, 2005. The updated estimate resulted in 1,314,000 contained ounces of gold in the indicated category at an average grade of 3.5 g/t gold and an additional 263,000 contained ounces of gold in the inferred category at an average grade of 3.3 g/t gold.
- Centerra, in association with RPA, produced a resource estimate for the Gatsurt Main Zone using the updated drilling database. At a 1.6 g/t gold cutoff grade, a minimum horizontal width of 2 metres and cutting high-grade values to 20 g/t gold, the indicated resources are estimated to be 540,000 ounces of contained gold at an average grade of 2.4 g/t gold. Additional inferred resources are estimated at 116,000 ounces of contained gold at an average grade of 2.4 g/t gold.
- The Gatsurt resource base has been significantly expanded by recent drilling programs. A feasibility study was completed in 2005. The preferred option, supported by the study, is to modify the existing Boroo facility by adding a bio-oxidation (BIOX) circuit and processing the refractory material from Gatsurt at the modified facility following depletion of the Boroo reserves. This has the potential to significantly extend the life of the Boroo facility. Further analysis to optimize the project is continuing. RPA has been retained to complete an updated NI 43-101 technical report on the Gatsurt project incorporating the Main Zone.
- The Gatsurt deposit is open at depth. Exploration drilling will continue in 2006 to further evaluate the high grade mineralization beneath the Gatsurt Central Zone as a potential underground mining opportunity with initial planned expenditures of \$1 million.

REN Project, Nevada

- The REN project is located about two kilometers north of Barrick Gold's Meikle Mine.
- Centerra, in association with RPA, have completed a new resource estimate using the updated drilling database. On a 100% project basis, using an 8.0 g/t gold cutoff grade over a minimum thickness of 10 feet (3.1 metres) and cutting high-grade values to 70 g/t gold, the indicated resources are estimated to be 1,201,000 ounces of contained gold. Additional inferred resources are estimated at 128,000 ounces of contained gold.
- The JB Zone and its southern extension have been interpreted to comprise several lenses. Other mineralized zones are known as 24, 69 and Corona.
- The updated estimate has resulted in a 52% increase in contained gold in the indicated resources category over the 2004 year-end resource estimate. This increase is due to upgrading inferred resources in the 69 Zone through additional drilling, the completion of two additional holes into a high grade section of the JB Zone and increasing the top cut levels from 40 g/t gold to 70 g/t gold.
- Exploration drilling will continue in 2006 with the focus on expanding the resource base and improving the project's viability with initial planned Joint Venture expenditures of \$2.5 million with Centerra's share being \$1.5 million.

The reserves and resources, estimated as at December 31, 2005, were prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum.

The technical information and reserve and resource estimates provided for Kumtor, Boroo, Gatsurt and REN in this news release and on the company's website was prepared under the supervision of Robert S. Chapman, M. Sc., P. Geo., Centerra's Director, Mergers & Acquisitions, who is the Qualified Person for the purpose of National Instrument 43-101. The new drilling results for Kumtor were reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Mr. Chapman. Strathcona Mineral Services Limited has reviewed the reserve and resource estimates for the Kumtor Mine. A new NI 43-101 technical report is being prepared and will be completed and filed on Sedar before March 10, 2006.

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 as there is no certainty that mineral resources can be upgraded to mineral reserves through continued exploration. Centerra Gold reports its reserves and resources separately.

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 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.

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.

Reserve and resource figures included are estimates and no assurances can be given 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 the best estimates of Centerra's management, by their nature reserve and resource estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. 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. The evaluation of reserves or resources is always influenced by economic and technological factors, which may change over time.

Resources figures included herein have not been adjusted in consideration of these risks and, therefore, no assurances can be given that any resource estimate will ultimately be reclassified as proven or 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. No assurance can be given 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.

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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