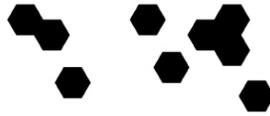


centerra**GOLD**



NEWS RELEASE

Centerra comments on discussions with the Government of the Kyrgyz Republic regarding the Kumtor Project and Parliamentary actions

TORONTO, CANADA – March 26, 2007 – Centerra Gold Inc. (TSX: CG) confirms today that together with Cameco Corporation it has been in negotiations with representatives of the Kyrgyz Republic Government for several weeks to address concerns of the Government with respect to prior agreements, as well as to further stabilize the operational environment for the Kumtor project going forward. The Government, the Company and Cameco expect to continue a constructive dialogue and attempt to find mutually acceptable resolution in the near future. If the issues between Cameco and Centerra, on the one hand, and the Government, on the other, are not resolved to their mutual satisfaction, the risks to Centerra will increase.

Today, the Kyrgyz Republic Parliament voted to accept a draft bill for further deliberation with respect to Kumtor and other mineral deposits. The draft bill challenges the legal validity of Kumtor agreements, proposes recovery of additional taxes and other amounts relating to past activities, as well as consolidating all gold deposits, including Kumtor in one state mining company. We expect the draft bill to be the subject of extensive discussion and parliamentary procedure before being considered for further approval, if at all. It has no legislative effect at this time.

We believe the parliamentary action is meant to put additional pressure on the negotiation process. The parliamentarian who sponsored the proposed bill was reported in the Kyrgyz press to state, “We are not going to nationalize the Kumtor mine. We are aware that an extreme measure like nationalization would entail litigation and penalties. Therefore, the company developing the Kumtor deposit may continue its operation but a new contract must be signed.”

The Kumtor restructuring in 2004 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.

“We have been working in the Kyrgyz Republic for the past 15 years and are continually engaged in discussions with the Government. We have always enjoyed a cooperative and mutually supportive relationship with the Kyrgyz Republic and any differences that have come up in the past have always been resolved through good faith dialogue,” commented Len Homeniuk, Centerra Gold’s President and CEO.

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, 2006, available on SEDAR at www.sedar.com.

Additional information

Additional information on Centerra is available on SEDAR at www.sedar.com and the Company's website at www.centerragold.com.

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