



NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold Reports Encouraging Exploration Results and Increases 2005 Budget by 10%

Toronto, Canada, July 29, 2005: Centerra Gold Inc. (TSX: CG) is pleased to provide an update on its 2005 exploration program. During the first half of 2005, the Company conducted extensive drilling programs in the Kyrgyz Republic, Mongolia and Nevada totaling over 63 kilometres of drilling.

First Half 2005 Highlights

- Kumtor pit – delineated two thick mineralized zones beyond the north and south ends of the ultimate pit design; aggressive drill program ongoing to better define these promising areas; in the south end, geotechnical and mine engineering to assess the economics of a pit expansion and/or an underground mining scenario; in the north end, results are on track with our multi-year exploration strategy to fully evaluate the potential for an enlargement of the pit to the back side of the mountain.
 - Sarytor – in-fill drill holes returned encouraging early results; located about 5 kilometers from the Kumtor mill
 - Gatsuurt Main Zone – higher grade mineralization identified; located 400 metres from the Central Zone; potential to add to resources; initiating an in-fill drill program to take to resource estimation stage by year end 2005
 - Gatsuurt Central Zone – confirmed block model; feasibility study in progress
 - REN – confirmed continuity of high grade mineralization in the JB Zone; Phase 2 drilling program approved by the joint-venture partner
-

“Our exploration program has been extremely successful to date yielding very encouraging results,” said Len Homeniuk, President and CEO. “In almost all of our target areas, we have either identified significant new mineralization or confirmed the continuation of previously-identified zones. We are particularly pleased with the excellent results at Kumtor and as a result have

increased the budget for the second half of 2005 by \$2 million in order to keep drilling throughout the year. The Gatsuurt deposit continues to exceed our expectations with results from the Main Zone which have the potential to further improve the economics of the project.”

“These first-half results have confirmed that we are on track to significantly increase the Company’s reserves and resources and deliver on our objectives. They build on the momentum established in 2004 that resulted in meaningful extensions of the mine lives at Kumtor and Boroo. This was followed by further exploration success at the Gatsuurt deposit which justified the initiation of the feasibility study in the first half of 2005,” concluded Mr. Homeniuk.

Complete listings of all the exploration drill results for the first half of 2005 and location maps of the target areas are available on the Company’s website at www.centerragold.com/properties/explorationupdate.

Where applicable, drilling results discussed and shown in this release and on the Company’s website have been compiled using technical criteria consistent with those used in estimating the Company’s resources for each of the areas discussed. Pertinent criteria are provided with the drilling results tables on the website.

Kyrgyz Republic

Drilling in the vicinity of the **Kumtor pit** focused on testing for down dip extensions beyond the ultimate pit design at the southern and northern ends of the deposit, shallow drilling in the northern highwall area and drilling along strike of the deposit to the northeast. The 2005 program in the first half consisted of 74 diamond drill holes totaling 22,641 metres. The highlights from the program are as follows:

At the southern half of the pit, drilling tested for down dip extensions to the mineralization beyond the limits of the ultimate pit design. The mineralization encountered in the southernmost 200 metres of the drilled strike length (SB Zone) is significantly thicker and higher grade than predicted by the KS5 block model with down hole intercepts varying from 26 metres to 68 metres and average grades in the 4 grams per tonne (“g/t”) Au to 13 g/t Au range. The tops of the shallower intercepts are typically within 75 metres of the ultimate pit design. This zone remains open at depth and to the south. Other drill holes to the north of the SB Zone intersected the target horizons in areas that were only tested by widely spaced holes. Most of these holes returned intercepts that confirmed the existing KS5 resource block model. Geotechnical and engineering studies have been initiated to assess the potential for an open pit expansion and/or to justify an underground scoping study.

In the northern portion of the pit, drilling in 2005 further delineated a thick mineralized zone (NB Zone) intersected during last year’s program. The zone starts at a depth of about 100 metres beyond the ultimate pit design and has now been delineated over a 200 metre strike length and an additional 120 metres down dip. Down hole intercepts in the new holes at the target horizon vary from 26 metres to 64 metres thick with average grades typically in the 3 g/t Au to 5 g/t Au range. The zone remains open down dip and possibly down plunge to the north. Additionally, 29 holes were drilled beyond the ultimate pit design highwall at shallower depths. To a large extent, the drilling results confirmed the existing KS5 block model interpretation. In several areas however,

the drilling encountered better mineralized intervals than anticipated by the model. These early results fit with the Company's multi-year exploration strategy to evaluate the potential of a major pit expansion to the north.

Along the northern flanks of the deposit in an area with minimal prior drilling, two of the 15 drill holes, D972A and D977A, encountered significant mineralized intervals at the northernmost part of the drill pattern. These intercepts are encouraging as they indicate that the auriferous alteration system persists into this relatively untested area.

The program is ongoing with seven drills currently active in the vicinity of the pit.

Kumtor Pit – Drilling Highlights for the First Half of 2005

Location	Hole #	From (metres)	To (metres)	Length (metres)	Grade (g/t Au)
SB Zone	D919	221.7	293.0	71.3	10.70
	including	225.4	232.0	6.6	14.92
	including	237.4	243.2	5.8	27.41
	including	247.0	259.4	12.4	20.73
	including	270.2	274.2	4.0	24.77
SB Zone	D961A	244.5	272.1	27.6	8.59
	including	251.5	256.5	5.0	25.74
SB Zone	D978A	206.7	210.6	3.9	6.52
		229.5	258.3	28.8	10.85
	including	241.6	250.2	8.6	30.24
SB Zone	D982A	291.3	296.3	5.0	11.65
		300.3	332.6	32.3	13.36
	including	303.4	307.4	4.0	15.68
	including	312.1	324.8	12.7	22.78
NB Zone	D926	312.0	332.5	20.5	2.43
	including	323.9	329.5	5.6	4.06
		338.5	342.5	4.0	7.79
		347.5	400.5	53.0	3.40
	including	349.6	366.9	17.3	6.48
NB Zone	D927	403.3	449.9	46.6	5.44
	including	415.0	430.7	15.7	10.28
	including	443.9	446.9	3.0	9.42
NB Zone	D984	324.7	328.5	3.8	3.55
		335.4	399.8	64.4	3.95
	including	346.1	351.0	4.9	12.11
	including	356.4	366.8	10.4	6.03
	including	378.8	386.1	7.3	7.60
North end	D925	127.0	144.8	17.8	3.80
	including	132.0	135.0	3.0	11.34
North end	D936	54.0	67.0	13.0	4.58
	including	54.0	60.0	6.0	7.49
North end	D-972A	65.8	72.1	6.3	13.94

	including	65.8	67.7	1.9	38.60
	including	71.1	72.1	1.0	12.55
		92.5	98.4	5.9	2.07
		116.5	123.4	6.9	1.92
North end	D-977A	370.0	388.0	18.0	3.97
	including	375.3	381.0	5.7	9.71

Note: True widths for the mineralized zones are typically from 90% to 95% of the stated intercepts

At the **Southwest Zone** located approximately three kilometres from the Kumtor mill, exploration activity consisted of nine drill holes totaling 1,945 metres. Seven of the nine holes were spaced over a 700 metre distance testing for strike extensions to the zone. Several narrow auriferous zones were encountered with the best results to date from SW-190 with grades of 5.56 g/t Au. Additional drilling is required to further assess the significance of this target area.

The remaining two holes were drilled in the vicinity of an old adit within the existing drill pattern. Both holes encountered high grade intercepts at the target horizon. Hole SW 214 was terminated in mineralization due to drilling problems.

Southwest Zone - Drilling Highlights for the First Half of 2005

Location	Hole #	From (metres)	To (metres)	Length (metres)	Grade (g/t Au)
Strike ext.	SW-190	101.3	103.8	2.5	5.56
Southwest	SW-209	329.3	335.0	5.7	6.21
		353.1	357.9	4.8	3.28
Southwest	SW-214	152.1	157.5	3.4	1.49
		218.2	223.6	5.4	4.52

Note: True widths for the mineralized zones are typically from 90% to 95% of the stated intercepts

At the **Sarytor** target located immediately to the west of the Southwest Zone, the program in the first half of 2005 consisted of in-fill drilling to better assess the size potential of the previously-identified mineralization. Three of the five drill holes returned results similar to, or better than, the closest existing drill holes. Drill hole SR 29 results encountered a very favourable intercept of 13.0 metres with an average grade of 9.00 g/t Au starting at a down hole depth of 41.5 metres. This hole is about 40 metres up dip from an existing hole which previously returned 2.31 g/t Au over 18.5 metres. Closer spaced in-fill drilling is required to determine the geometry of this higher grade zone.

A 43-101 compliant Technical Report on the Kumtor mine was filed on May 14, 2004 and is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. The 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 are the same as, or similar to, those described in the Technical Report.

Mongolia

Drilling at the **Boroo mine** focused on delineation drilling in the vicinity of Pit 6, testing for additional mineralization along the western and northern flanks of Pit 3 and early stage testing of the Boroo 4 exploration target. The 2005 program in the first half consisted of 143 reverse circulation (RC) holes and two diamond drill holes for a combined total of 145 holes totaling 18,614 metres. The highlights from the program are as follows:

In the relatively untested north end of Pit 6, 64 holes were drilled. The new drill holes delineated a corridor of mineralization over an area 350 metres long by 30 metres to 60 metres wide with grades typically between 1.5 g/t Au to 3 g/t Au over 5 metres to 20 metres down hole intervals. The down hole depths to the top of the intercepts vary from 70 metres to 125 metres. The southern 100 metres along this corridor is typically higher grade with several holes containing intercepts averaging up to 8 g/t Au.

An additional 27 holes drilled around the flanks of the Pit 6 area confirmed the existing resource block model interpretation.

Along the western and northern flanks of Pit 3, 52 holes were drilled beyond the ultimate pit design in areas previously tested by wide spaced holes. The new holes mainly tested for additional mineralization in the down dip direction. In general, the results confirmed the existing resource block model interpretation. In the central portion of Pit 3, the mineralization continues to depth with grades typically in the 1.3 g/t Au to 2.5 g/t Au range over 10 metres to 30 metres down hole intervals. The mineralization appears to be closed off in the down dip direction along the flanks to the northwest and southwest.

Five holes drilled in the vicinity of the Boroo 4 prospect, located about two kilometres to the north of the Boroo mill, did not encounter any significant mineralized zones.

Boroo Mine – Drilling Highlights for the First Half of 2005

Location	Hole #	From (metres)	To (metres)	Length (metres)	Grade (g/t Au)
Pit 6 - north	BRC-703	78.0	90.0	12.0	1.79
Pit 6 - north	BRC-715	75.0	99.0	24.0	3.80
Pit 6 - north	BRC-710	93.0	102.0	9.0	8.28
	including	96.0	99.0	3.0	20.84
Pit 6 - north	BRC-724	86.0	106.0	20.0	2.58
Pit 6 - north	BRC-808	115.0	143.0	28.0	2.00
Pit 3 -west	BRC-754	116.0	127.0	11.0	1.55
Pit 3 -west	BRD-833	67.0	95.0	28.0	2.83
	including	76.0	77.0	1.0	45.00
Pit 3 -west	BRC-834	63.0	81.0	18.0	1.45

Note: True widths for the mineralized zones are typically from 65% to 95% of the stated intercepts

Drilling at the **Gatsuurt Central Zone** deposit focused on selective in-fill drilling, defining the limits to the mineralization and testing for further strike extensions to the mineralized zone. Excluding drill holes used in the resource estimate disclosed on April 29, 2005, the first half of

2005 program consisted of 24 RC holes and nine diamond drill holes for a total of 33 holes totaling 4,929 metres. The highlights from the program are as follows:

Sixteen holes were drilled to in-fill within the existing drill pattern or to test the mineralization at greater depths. These results have essentially confirmed the geometry and the grade of the block model interpretation used in the latest resource estimate which resulted in an indicated resource consisting of 11.3 million tonnes at an average grade of 3.52 g/t Au for a total of 1.3 million contained ounces of gold. Continuous mineralization extends over a strike length of 900 metres and the mineralization remains open at depth over a significant portion of the deposit.

Seventeen holes drilled in the southern and northern flanks of the Central Zone to test for strike extensions to the deposit did not encounter significant new mineralization.

The contract to complete a feasibility study for the Central Zone was awarded to SNC Lavalin Engineers and Constructors. A pilot plant study is being initiated with SGS Lakefield Research Africa (Pty) Ltd. and GFL Mining Services Ltd. in South Africa to evaluate the bio-oxidation processing option. Drilling programs are in progress for water well holes and condemnation of planned infrastructure sites.

Gatsuurt Central Zone – Drilling Highlights for the First Half of 2005

Hole #	From (metres)	To (metres)	Length (metres)	Grade (g/t Au)
GT-288	267.8	275.3	7.6	3.81
	278.7	317.8	39.1	3.75
including	280.4	282.6	2.2	17.50
GT-291	115.7	142.7	27.0	2.70
	148.3	153.4	5.1	3.09
	156.4	182.6	26.2	3.34
GT-293	98.0	175.7	77.8	4.38
including	126.7	128.7	2.0	25.92
including	130.7	132.7	2.0	20.45
GT-304	111.0	131.0	20.0	6.44
including	121.0	125.0	4.0	7.45
including	128.0	131.0	3.0	20.30

Note: True widths for the mineralized zones are typically from 50% to 75% of the stated intercepts.

The **Gatsuurt Main Zone** is located 400 metres to the southwest of the Central Zone. Gold mineralization occurs in a wide, subvertical structural zone cutting a Permian rhyolitic volcanic sequence. This area was previously tested by nine holes spaced over an 800 metre strike length and 10 shallow holes along two drilling fences.

The objective of the 2005 drilling program is to further assess the grade distribution and size potential of this mineralized zone. Three RC holes and 11 diamond drill holes have been completed for a total of 14 holes totaling 2,711 metres.

Most of the Main Zone drilling was completed over a 650 metre strike length of the mineralized zone with drill holes generally spaced at 70 metres along strike and 70 metre offsets down dip. Assay results have been received for nine of the 14 completed holes and selected highlights are as follows:

Gatsuurt Main Zone – Drilling Highlights for the First Half of 2005

Hole #	From (metres)	To (metres)	Length (metres)	Grade (g/t Au)
GT-277	31.6	75.9	44.3	2.91
	88.8	101.3	12.5	2.07
	113.8	125.8	12.0	1.55
GT-281	19.1	42.8	23.7	1.54
	46.8	52.8	6.0	1.73
	62.8	130.7	67.9	3.30
	135.2	147.2	12.0	1.42
GT-282	94.0	163.3	69.3	2.65
including	120.5	123.5	3.0	6.11
	172.1	182.1	10.0	2.23
	199.9	208.9	9.0	2.54

Note: True widths for the mineralized zones are typically from 60% to 75% of the stated intercepts

Drilling results are encouraging and have confirmed the continuity of broad zones of mineralization over a 400 metre strike length. The mineralized system appears to weaken along strike to the northeast and southwest, but remains open at depth.

Preliminary flotation test work indicates that gold recoveries to concentrates are similar for the Main and Central Zones, with 87% and 90% of the gold reporting to the combined gravity and flotation concentrates for two composites from the Main Zone.

Based on these positive results, a drilling program was initiated during mid-July to systematically in-fill between the existing drill holes to achieve a 35 metre by 35 metre drilling density suitable for resource estimation and to test for additional mineralization along strike and down dip. About 50 drill holes totaling 9,000 metres are planned.

The **Ulaan Bulag** target area is located 14 kilometres to the southeast of the Boroo mine. The geological setting is similar to Boroo in that gold mineralization occurs within a shallow dipping structural zone cutting altered granitic and dioritic rocks of the Boroo Intrusive complex. Limited previous drilling identified an area of about 600 metres by 500 metres with elevated gold values associated with the altered structural zone.

During 2005, a drilling program was completed at the Ulaan Bulag target to in-fill between existing holes and to further assess the size potential for the highest grade portion of the mineralized zone. Seven RC holes and six diamond drill holes were completed for a total of 13 holes totaling 1,780 metres.

The drill results have determined the limits to a better mineralized corridor measuring about 600 metres by 150 metres with typical gold values of 1.5 g/t Au to 2.5 g/t Au over 4 metre to 10 metre down hole intervals. The best intercept returned 8.79 g/t Au over a 2.5 metre interval starting at a depth of 76.5 metres.

The **Argal** target area is located about 100 kilometres to the southwest of the Boroo mine. The area is predominantly underlain by intrusive rocks with lesser amounts of metasedimentary rocks. Surface outcrops expose a shallow dipping sheeted quartz vein system within a quartz-sericite-pyrite alteration zone. Along strike of the surface exposure, the alteration system trends beneath an overburden covered valley with altered granitic rocks along the valley walls. Limited previous drilling identified an auriferous horizon with grades typically in the 0.8 g/t Au to 3.5 g/t Au over 2 metre to 16 metre intervals.

During 2005, this target was further assessed by 16 RC holes and two diamond drill holes for a total of 18 holes totaling 2,464 metres. The drilling program did not encounter more substantial mineralized zones and this target has been downgraded.

The **Biluut** target area is located three kilometres north of the Gatsuurt Central Zone. The area is predominantly underlain by rhyolitic volcanic rocks of the Dzuun Mod complex. Prior exploration programs identified several areas with anomalous gold values associated with narrow quartz veins, breccias and silicified zones.

The 2005 drilling program consisted of three RC holes and one diamond drill hole for a total of four holes totaling 713 metres. The drill holes were single-hole tests of geochemical and geophysical targets in widely separated locations across the property. One hole intersected a sulfidic alteration zone which returned 2.64 g/t Au over 10 metres starting at a down hole depth of 44 metres. Follow up drilling is planned. The remaining three holes did not encounter any significant gold mineralization.

A 43-101 compliant Technical Report on the Boroo mine was filed on May 14, 2004 and a Technical Report on the Gatsuurt deposit was filed on February 25, 2005. Both reports are available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com. The reports describe the exploration history, geology and style of gold mineralization at each of the Boroo and Gatsuurt deposits, respectively. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Boroo mine, in the Gatsuurt area, and at the Ulaan Bulag, Argal and Biluut prospects are the same as, or similar to, those described in the Technical Report for the Gatsuurt deposit.

Nevada

The **REN** project is a joint venture between Centerra (62%) and Barrick Gold Corporation (38%). During 2004, a new mineralized zone called the 69 Zone was discovered and by year end, it had been intersected by five holes. These drilling results were incorporated in the latest resource estimate for the REN project released on January 27, 2005.

During the first half of 2005, drilling focused on testing for additional mineralization around the 69 Zone, testing geological targets in the southern portion of the property and offsetting a high grade intercept in the JB Zone. Due to the significant depths to the target horizons, the drilling program typically consists of diamond drilling core ‘tails’ from RC pre-collars, and the use of wedges and directional drilling to provide multiple core tails from a single pilot hole. The first half of 2005 drilling program consisted of nine completed holes and two RC pre-collars for a combined total of 6,813 metres. The highlights from the program are as follows:

Five holes were drilled to offset mineralized holes in the 69 Zone. At the target horizon, the spacing between drill hole pierce points varies from 30 metres to 105 metres, but typically averages about 60 metres. One hole, RU-80W1, intersected high grade mineralization and has confirmed the continuity of the mineralized zone between two existing widely spaced holes. Another hole, RU-80C, returned a lower grade intercept along the eastern side of the 69 Zone and the mineralized horizon remains open to the northeast. The remaining holes effectively defined the limits to the mineralization to the north and southwest.

Three RC holes were drilled to test geological targets in the southern portion of the property where the depths to the prospective rock assemblages in the lower plate of the Roberts Mountain thrust fault vary from 400 metres to 700 metres. Encouraging results were encountered in drill hole RU-83 which intersected a wide zone of low grade mineralization at the target horizon. This intercept will be followed up by additional drilling. The remaining holes did not encounter any significant mineralized zones.

Most of the gold resources on the REN property are located in the JB Zone discovered in 2002. One in-fill hole was drilled in 2005 to assess the grade continuity in a high grade portion of the resource area near the eastern boundary of the JB Zone. This hole returned 49.07 g/t Au over 15.2 metres. The hole pierced the target horizon about 27 metres from a previous intercept which had returned 39.8 g/t Au over 16.7 metres. The new intercept is significant in that it indicates that there is good continuity to the high grade mineralization in this area.

REN Project – Drilling Highlights for the First Half of 2005

Location	Hole #	From (metres)	To (metres)	Length (metres)	Grade (g/t Au)
69 Zone	RU-80C	959.8	971.1	11.3	3.36
69 Zone	RU-80W1	918.4	943.1	24.7	6.83
JB Zone	RU-81C	723.3	738.5	15.2	49.07
South target	RU-83	528.8	548.6	19.8	1.43

Note: True widths for the mineralized zones are typically from 70% to 100% of the stated intercepts

A 43-101 compliant Technical Report on the REN property was filed on June 22, 2004 and is available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com. The report describes the exploration history, geology and style of gold mineralization at the REN property. 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.

Qualified Person

The new drilling results were reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Robert S. Chapman, P. Geo., Centerra's Vice President, Exploration and Technical Director Mergers & Acquisitions, who is a Qualified Person for the purpose of National Instrument 43-101 and is the person responsible for the preparation of the technical information in this news release and related exploration results on Centerra's website.

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 798,000 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.

For more information:

Sharon Loung
Director, Investor Relations
(416) 204-1220
sharon.loung@centerragold.com

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

- end -