NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold Reports First Quarter Earnings of $0.03 per share

Mineralized structure extends over 1,000 metres beyond the north-end of Kumtor pit

Toronto, Canada, April 27, 2007: Centerra Gold Inc. (TSX: CG) today reported net earnings of $5.9 million ($0.03 per common share) in the first quarter of 2007 based on revenues of $82 million. During the first quarter of 2007, cash provided by operations, net of working capital changes, was $8 million. During the first quarter of 2007, consolidated gold production was 133,000 ounces and total cash costs were $410 per ounce. In the first quarter of 2006, Centerra reported net earnings of $18 million ($0.08 per common share), cash from operations of $32 million and revenues of $93 million. In the same period, gold production was 154,000 ounces at a total cash cost of $337 per ounce.

First quarter 2007 results reflect lower gold production at Kumtor due to lower throughput, ore grades and recoveries, as a result of changes in the mine plan stemming from the pit wall ground movement in July 2006 and higher income tax expense due to Boroo becoming taxable during the period partially offset by higher gold prices.

Highlights

- Exceeded gold production plans at Kumtor and Boroo for the quarter.
- All new equipment for Kumtor fleet expansion delivered and onsite.
- SB Zone drilling continues, remains open along strike and down dip.
- Mineralized structure extends 1,000 metres beyond north-end of Kumtor pit.

Commentary

"We are continuing to look for growth opportunities through selective acquisitions to add to our reserve and resource base," said Len Homeniuk, President and CEO of Centerra Gold. "While we were pleased with our results in the quarter, they reflect lower gold production than last year as we continue to work to access the high-grade SB Zone at the Kumtor mine. Operationally, Boroo again exceeded our expectations during the quarter. Our exploration program continues to show good prospects for future high-grade reserve expansions at Kumtor."

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Financial and Operating Summary

	Three months ended March 31	
Financial Highlights	**2007**	**2006**
Revenue - $ millions(2)	**82.3**	93.0
Gross profit - $ millions (1)	**20.7**	30.4
Net earnings - $ millions	**5.9**	18.2
Earnings per common share - $ - basic and diluted	**0.03**	0.08
Cash provided by operations - $ millions	**7.8**	32.1
Weighted average shares outstanding – basic – (thousands)	**216,239**	216,239
Operating Highlights		
Tonnes mined (4) – 000s	**27,659**	24,204
Tonnes ore mined – 000s	**1,452**	2,077
Tonnes milled – 000s	**1,978**	2,075
Ounces sold	**127,571**	171,553
Ounces poured	**133,005**	153,811
Average realized price - $/oz (2)	**645**	542
Gold spot market price - $/oz – average for period	**650**	554
Total cash cost(3) - $/oz	**410**	337

(1) Gross profit is defined as total revenues less cost of sales and depreciation, depletion and reclamation and accretion.
(2) Net of the effect of gold hedges, closed in 2004.
(3) Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measure – Total Cash Cost".
(4) Excludes 923,000 tonnes of heap leach material

Revenues for the first quarter of 2007 were $82.3 million compared to $93.0 million during the same period one year ago. First quarter 2007 revenue reflects higher realized gold price ($645 per ounce in the first quarter of 2007 versus $542 per ounce in the first quarter of 2006) offset by 26% lower sales volume in the quarter due in part to the lower production at Kumtor. The 2006 first quarter revenues also included additional ounces sold in the period due to timing of gold shipments in the period.

Centerra's total cash cost per ounce of gold was $410 in the first quarter compared to $337 in the first quarter of 2006. The year-over-year increase in unit cash costs was primarily due to lower gold production at Kumtor resulting from the lower mill grade as the mine continues to re-sequence ore as a result of the pitwall movement in July 2006. In addition, first quarter 2007 costs have increased due to the higher wages for mine site personnel at Kumtor resulting from the increased high altitude premium as reported earlier. (Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measure – Total Cash Cost" in the Management's Discussion and Analysis for the three months ended March 31, 2007, issued in conjunction with this press release.)

Cash provided by operations was $7.8 million for the first quarter of 2007 compared to $32.1 million for the prior year first quarter. The decrease was mainly due to lower earnings resulting from lower volumes at Kumtor, and increased working capital levels due to the timing of gold shipments which resulted in increased inventories and reduced payables in 2007.

Capital expenditures in the first quarter of 2007 amounted to $33.0 million of which $4.5 million was spent on sustaining capital projects. Centerra's cash position at the end of March 2007 was $149.9 million, compared to $186.2 million at December 31, 2006. The Company has no long-term debt or gold hedge positions.

Exploration expenditures for the first quarter were $5.3 million dollars. At Kumtor exploration expenditures totaled $3.8 million for the first quarter of 2007, up from $3.1 million in the first quarter 2006.

Operations Update

Kumtor

	Three months ended March 31	
Kumtor Operating Results	**2007**	**2006**
Sales volume – ounces	**57,763**	107,855
Revenue - $ millions [3]	**37.3**	59.2
Average realized price - $/oz [3]	**645**	548
Tonnes mined – 000s [4]	**23,670**	20,200
Tonnes ore mined – 000s	**826**	1,349
Tonnes milled – 000s	**1,362**	1,504
Average mill head grade – g/t [1]	**2.18**	2.36
Recovery - %	**69.7**	78.1
Ounces recovered	**66,566**	89,073
Ounces poured	**66,207**	88,848
Total cash costs - $/oz [2]	**639**	427
Capital expenditures - $ millions	**25.5**	8.8

(1) g/t means grams per tonne.
(2) Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measure – Total Cash Cost".
(3) Net of the effect of gold hedges, closed out in 2004.
(4) Includes 4 million tonnes of pre-stripped material.

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At the Kumtor mine, gold production was 66,000 ounces in the first quarter of 2007 25% less than the same quarter in 2006, due to lower ore grades, an average of 2.18 g/t in the first quarter of 2007 compared to 2.36 g/t in the first quarter of 2006, as a result of the pit wall movement in July 2006.

Total cash costs per ounce, a non-GAAP measure of production efficiency, increased to $639 in the first quarter of 2007 from $427 in the first quarter of 2006 primarily as the result of the lower gold production due to lower average grade fed to the mill and lower recoveries. Production and grade were negatively affected in the period because of the re-sequencing of mining due to the July 2006 pit wall movement.

Pre-stripping of the SB Zone commenced in the third quarter of 2006 and in respect of this activity $4.1 million was capitalized in the first quarter of 2007.

During the first quarter of 2007 capital expenditures were $25.5 million, of which $2.7 million was for sustaining capital.

Boroo

	Three months ended March 31	
Boroo Operating Results (100%)	**2007**	**2006**
Sales volume - ounces of gold	**69,808**	63,698
Revenue - $ millions (3)	**45.1**	33.8
Average realized price - $/oz (3)	**645**	531
Tonnes mined (4) - 000s	**3,990**	4,004
Tonnes ore mined – 000s	**626**	728
Tonnes milled – 000s	**616**	571
Average mill head grade (g/t) (1)	**3.91**	3.87
Recovery - %	**88.2**	91.7
Ounces of gold recovered	**68,252**	65,133
Ounces of gold poured	**66,798**	64,963
Total cash cost - $/oz (2)	**184**	215
Capital expenditures - $ millions	**7.5**	1.8

(1) g/t means grams per tonne
(2) Total cash cost is a non-GAAP measure and is discussed under “Non-GAAP Measure – Total Cash Cost”.
(3) Net of the effect of gold hedges, closed out in 2004.
(4) Includes 1.5 million tonnes of pre-stripped material but excludes heap leach material.

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At the Boroo mine, gold production was 67,000 ounces in the first quarter of 2007 higher than the first quarter of 2006 due to higher ore grades, 3.91 g/t in first quarter 2007 versus 3.87 g/t in first quarter 2006, and higher throughput resulting from productivity improvements. This was partially offset by lower recovery.

Total cash costs per ounce, a non-GAAP measure of production efficiency, decreased to $184 in the first quarter of 2007 compared to $215 in the same period in 2006, reflecting the higher gold production, lower labor costs and reduced mining costs due to a lower waste to ore ratio.

Capitalized pre-stripping for Pit 6 amounted to $2.2 million in the first quarter of 2007.

During the first quarter of 2007 capital expenditures were $7.5 million, of which $1.8 million was for sustaining capital.

Exploration Update

Kyrgyz Republic

Drilling activities in the first quarter of 2007 focused on the Kumtor pit and the nearby Sarytor target area.

Kumtor Pit

Drilling continued to test the SB Zone. Drill hole D1136 intersected the SB Zone at the 3,490 metre elevation on section 34 returning an intercept of 8.5 g/t Au over 31.5 metres, which includes an intercept of 19.6 g/t Au over 19.6 metres. The SB Zone remains open both along strike and in the down dip direction.

Drilling also continued to test the northeast extension of the deposit. One hole returned assays of 8.69 g/t over 1.0 metre, 2.38 g/t over 5.6 metres, 2.07 g/t over 17.4 metres, 5.50 g/t over 5.9 metres, 3.81 g/t over 3.4 metres and 3.76 g/t over 6.0 metres. This hole has confirmed that the Kumtor mineralized structure extends over 1,000 metres along strike in the north-east direction beyond the last continuous zone of mineralization at the north end of the Kumtor pit. Drilling in the second quarter of 2007 will further test the northerly strike extension of the Kumtor mineralized structure with widely spaced drill holes at different elevations.

Sarytor

In the first quarter of 2007 up to four drills were active at the Sarytor deposit. One in-fill drill hole was completed in the centre of the deposit confirming the continuity of the mineralization with results ranging from 2.16 to 3.09 g/t over widths from 3.0 to 9.2 metres.

Three holes were completed on the north-west end of the Sarytor deposit to follow up on the new mineralized zone that was intersected in the fourth quarter of 2006. This zone is on the northwest corner of the Sarytor deposit outside of the planned open pit, where hole SR 06-151, completed in the fourth quarter of 2006, returned an intercept of 3.36 g/t Au over 79.8 metres. Two of the three holes intersected a steeply dipping mineralised structure that returned assays of 4.34 g/t Au over 68.8

metres and 1.99 g/t over 14.2 metres. Further drilling in this area will be conducted in the near future to determine the extent and controls on the mineralization and to determine the true widths for the mineralized zones.

Five holes were completed to test the easterly extension of the Sarytor deposit towards the Southwest Zone. The drill holes are confirming the continuity of the mineralization with results ranging from 1.40 to 2.76 g/t Au over widths from 3.0 to 7.7 metres. True widths for the mineralized zones are typically from 70% to 95% of the stated intercepts.

Southwest Area

In the first quarter 2007, one hole was completed in the Southwest Area totaling 100.2 metres of drilling. This hole was designed to test a target to the north-east of the Southwest Zone, in the area of the planned underground portal.

The hole intercepted a mineralised zone that returned assays of 6.19 g/t over 9.2 metres, including 14.98 g/t over 3.0 metres, with the style of alteration and mineralization being very similar to the high-grade SB Zone. The dip and strike of the mineralised zone have not been defined and so the true width of the intercept can not be determined. Further drilling is planned to trace the mineralization along strike and down dip.

A complete listing of the drill results and supporting maps for the Kumtor pit, Sarytor and Southwest have been filed on the System for Electronic Document Analysis and Retrieval (‘SEDAR’) and are available at the company’s web site at: www.centerragold.com

Political Environment

Kyrgyz Republic

The political situation in the Kyrgyz Republic continues to evolve and there continues to be a risk of future political instability. The opposition staged public protest in mid-April calling for the resignation of the President and for amendments to the constitution. The ultimate political implications of these events are not yet clear. The current Prime Minister, Mr. Almazbek Atambayev, who was confirmed on March 30, 2007, endorses broad constitutional and economic reforms.

In February 2007, based on the long-term relationship between the Government of the Kyrgyz Republic and Cameco Corporation as original founders of Centerra, the Government invited Cameco and Centerra to conduct discussions regarding a number of issues concerning Kumtor. On March 26, 2007 the Parliament accepted in the first reading and returned to committee for further deliberation draft legislation that, among other things, challenges to the legal validity of Kumtor agreements with the Kyrgyz Republic, proposes recovery of additional taxes and amounts relating to past activities, and provides for the transfer of gold deposits (including Kumtor) to a state-owned entity. If enacted, there would be a substantial risk of harm to the Company’s rights. We expect the draft bill to be the subject of extensive discussion and parliamentary procedure before being considered for further approval, if at all. The bill is on the Parliamentary agenda for its May session, which begins May 21, 2007. Currently this action has no legislative effect and does not interfere with the Company's operations in the country. The parliamentary deputy who sponsored the draft bill was quoted in the local press on April 25, 2007 as stating that, "the law calls for amendments in the existing general agreement, or signing of a new agreement. It cannot be said that this law involves the nationalization of gold production assets." The Company has expanded the scope of its existing arbitration proceeding with the Kyrgyz Republic to include the recent Parliamentary action. The new Prime Minister has made strong public statements supporting a constructive dialogue with the Company and invited Cameco and the Company to continue discussions regarding a number of issues concerning Kumtor. The positive resolution of these issues would help to provide a stable and favourable operational environment for and an improved investment climate in the Kyrgyz Republic. If the issues between Cameco and Centerra, and the Kyrgyz Republic are not resolved to their mutual satisfaction, the risks to Centerra will increase. The Company expects to re-engage in discussions with the new Government regarding the Kumtor Project following the resolution of outstanding political issues in the Country.

Mongolia

The Company continues its negotiations regarding its Boroo Stability Agreement and Gatsuurt Investment Agreement with the Mongolian Government amid strong nationalistic sentiment in the country. No agreements have yet been reached.

The Mongolian Parliament continues to debate recent changes to mining legislation and the applicability of the windfall profit tax as well as State participation in various mining projects. The windfall tax applies at the rate of 68% on sales of gold above $500 per ounce. Under the new minerals law, Parliament may designate deposits as strategic and the State may take up to a 34% interest in those strategic deposits in respect of which exploration was funded privately or 50% interest in those strategic deposits in respect of which exploration was funded by the State. On February 6, 2007, Parliament designated the Boroo deposit as strategic but resolved that the State would take no interest as the deposit would continue to be subject to the terms of the existing Stability Agreement. While the Government has acknowledged that neither the windfall profit tax nor the strategic deposit provisions will apply to the Boroo project, it has not yet agreed to provide similar protection to the Company's Gatsuurt project.

The Ministry of Finance has alleged certain tax-related violations by the Company and notified it on January 15, 2007 that the Boroo stability agreement will be terminated unless the alleged violations are cured within 120 days. The Company responded to the Minister that in all cases it has either remedied the alleged violations or strongly disputes that a violation exists. Subsequent correspondence with the Minister of Finance indicates that most of the outstanding matters in dispute have been resolved to the Government's satisfaction. The Minister has asserted that Boroo is subject to tax at the rate of 20% effective January 1, 2007, rather than March 1, 2007, on the basis that commercial production, and therefore the three-year tax exemption applicable to Boroo under its Stability Agreement, began on January 1, 2004 rather than March 1, 2004. The Company disputes the Minister's claim. The amount in issue is approximately $4 million for the full year 2007. The Company believes that this and other remaining matters will be resolved through further discussions with the Ministry of Finance or as part of the continuing negotiations on the Boroo Stability Agreement.

Outlook

Overall, Centerra expects gold production in 2007 of 700,000 to 720,000 ounces. Total cash costs are expected to be $375 to $385 per ounce in 2007.

The Company expects production at Kumtor in 2007 to be 450,000 to 460,000 ounces of gold. Total cash cost is expected to be $440 to $450 per ounce. Recently, minor slope movement has been detected in the waste dump above the Central Pit and SB Zone highwall. The waste dump slope is currently designed at a 33 degree angle. Geotechnical drilling and analysis is underway to determine whether a lower design slope angle is required to stabilize the waste dump and if so, the effect on future production.

At Boroo, the Company expects, on a 100% basis, production of 250,000 to 260,000 ounces of gold in 2007. Total cash cost is expected to be $250 to $260 per ounce in 2007.

The total capital requirement in 2007 is estimated at $131 million including $27 million of maintenance capital. Growth capital is forecast at $104 million, which includes $59 million at Kumtor ($17 million for the development of the SB zone decline, $12 million to pre-strip the SB zone in the Central Pit and $20 million for equipment originally scheduled for delivery in 2006 received in the first quarter of 2007) and $44 million at Boroo (Heap Leach and Gatsuurt projects accounting for $19 million and $25 million, respectively).

In terms of sensitivity of results for the last nine months of 2007, a $25 per ounce change in the gold spot price is anticipated to affect revenues, net earnings and cash from operations by approximately $15 million, $12 million ($0.06 per share) and $13 million, respectively.

The outlook noted above for the Company is based on the following key assumptions:

- no significant changes in our estimates of future production or costs,
- no delays in or interruption of production from our mines or in our development activities, and
- all necessary permits, licences and approvals are received in a timely manner.

Qualified Person

The new drilling results for Kumtor in this news release and on Centerra's website and the scientific and technical information, and resource and reserve estimates in this news release 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 the qualified person for the purpose of NI 43-101.

The Kumtor deposit is described in Centerra's Annual Information Form (the "AIF") for the year ended December 31, 2006 and in a technical report dated March 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 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.

Cautionary Note Regarding Forward-looking Statements

Statements contained in this news release including those under the heading "Outlook for 2007", 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; inability to enforce legal rights, 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.

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. 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.

Conference Call

Centerra invites you to join its fourth-quarter, year-end conference call on Monday, April 30, 2007 at 11:00 am. Eastern Time. The call is open to all investors and the media. To join the call, please dial (416) 620-7649 (International callers) or (877) 871-4065 (Toll-Free Canada and U.S.). Alternatively, an audio feed web cast will be available on www.centerragold.com. A recording of the call will be available on www.centerragold.com shortly after the call, and via telephone until midnight on Monday, May 7, 2007 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21336601.

For more information:

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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.

Management's Discussion and Analysis

The following discussion of the financial condition and results of operations of Centerra Gold Inc. ("Centerra" or the "Company") for the three months ended March 31, 2007 should be read in conjunction with the unaudited consolidated financial statements and the notes of the Company for the period ended March 31, 2007, as well as the audited consolidated financial statements for the Company for the year ended December 31, 2006 and management's discussion and analysis of the audited statements, both of which are included in the 2006 Annual Report. The financial statements of Centerra are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and, unless otherwise specified, all figures are in United States dollars. The Company's 2006 Annual Report and the Annual Information Form are available at www.centerragold.com and on SEDAR at www.sedar.com.

Toronto, Ontario, Canada, April 27, 2007

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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.

Measured and indicated 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.

Consolidated Financial Results

For accounting purposes, Centerra's consolidated financial results for the three months ended March 31, 2007 reflect fully consolidated interests in the Kumtor and Boroo mines, a 62% interest in REN and 100% interest in Gatsuurt.

First Quarter Results

Highlights – Centerra

	Three months ended March 31	
Financial Highlights	**2007**	**2006**
Revenue - $ millions(2)	**82.3**	93.0
Gross profit - $ millions (1)	**20.7**	30.4
Net earnings - $ millions	**5.9**	18.2
Cash provided by operations - $ millions	**7.8**	32.1
Sales volume - ounces of gold	**127,571**	171,553
Ounces of gold poured	**133,005**	153,811
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Gold spot market price - $/oz - average for period	**650**	554
Total cash cost - $/oz (3)	**410**	337
Earnings per common share - $ - basic and diluted	**0.03**	0.08
Weighted average shares outstanding - basic - (thousands)	**216,239**	216,239

(1) Gross profit is defined as total revenues less cost of sales and depreciation, depletion and reclamation and accretion.
(2) Net of the effect of gold hedges, closed in 2004.
(3) Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measure – Total Cash Cost".

Gold Production and Revenue

First quarter revenue in 2007 was $82.3 million compared to $93.0 million in the same quarter last year reflecting higher realized gold price partially offset by a 26% lower sales volume in the quarter. Production decreased to 133,005 ounces in the first quarter of 2007 from 153,811 ounces reported in the first quarter of 2006 mainly as a result of lower production at Kumtor due to the pitwall movement in July 2006, lower ore grade and lower recoveries at Kumtor, partially offset by higher volumes at Boroo.

Centerra realized an average gold price of $645 per ounce for the first quarter of 2007, a significant increase over the $542 per ounce realized in the same quarter in 2006 (including the amortization of

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deferred charges of $0.6 million in 2007 and $1.9 million in 2006 related to the closing of the gold hedges in 2004). This increase was due to higher spot gold prices that averaged $650 per ounce in the first quarter of 2007, compared to $554 per ounce in the prior year quarter.

Centerra's gold production is unhedged. The impact of prior closure of gold hedges is discussed below under "Gold Hedges".

Cost of Sales

Cost of sales in the quarter was $51.5 million compared with $54.5 million in the first quarter of 2006 primarily reflecting lower volumes at Kumtor and lower unit costs at Boroo partially offset by higher wages for mine site personnel at Kumtor resulting from the increased high altitude premium as reported earlier.

On a unit basis, the total cash cost per ounce was $410, up from $337 in the first quarter of 2006, primarily due to lower gold production at Kumtor resulting from the lower mill grade as the mine continues to re-sequence ore as a result of the pitwall movement in July 2006. In addition, first quarter 2007 costs have increased due to the higher wages for mine site personnel at Kumtor resulting from the increased high altitude premium as reported earlier. Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measure – Total Cash Cost".

Depreciation, Depletion and Amortization

Depreciation, depletion and amortization decreased to $9.7 million in the first quarter of 2007 from $10.2 million in the prior year's first quarter mainly due to the lower production at Kumtor partially offset by higher unit rates. On a per unit basis, depreciation and amortization for the first quarter of 2007 was $76 per ounce sold compared to $59 per ounce sold in the first quarter of 2006, reflecting the addition of capital equipment at Kumtor in the past year.

Accretion and Reclamation

Significant reserve additions at Kumtor announced January 2006 extended the life of the mine resulting in a reduction of the fair value of the asset retirement obligation. As a result, during the first quarter of 2006 the Company recorded $2.1 million in earnings as a result of this reduction. Accretion and reclamation expense for the first quarter of 2007 was $0.5 million.

Exploration & Business Development

Exploration and business development costs of $6.4 million in the first quarter of 2007 decreased from $7.0 million in the prior year's first quarter and reflected the continuation of drilling programs in support of the Company's growth objective to increase reserves at and around its existing mines as well as investment in growth initiatives.

Interest and Other

Interest and other income totalled $1.9 million in the first quarter of 2007 which reflected interest earned on the Company's cash and short-term investments. The comparable amount in the first quarter of 2006 totalled $2.0 million. The Company has no outstanding interest-bearing debt.

Administration

Administration costs for the first quarter of 2007 were $4.3 million compared to $6.4 million in the same period last year which was primarily due to lower stock-based compensation resulting from a 20% reduction in the share price during the first quarter of 2007. In the first quarter of 2006, the share price increased by 37%.

Income Tax

Income tax expense of $4.5 million in the first quarter of 2007, compared to a recovery of tax of $0.1 million in 2006, reflects the fact that Boroo became taxable effective March 1, 2007. In accordance with Canadian GAAP, income taxes for Boroo have been calculated using the average income tax rate determined for income projected to be earned in the year. This average rate of 18.93% recognizes that income in the months of January and February is not subject to tax and that income earned March 1, 2007 through December 31, 2007 is subject to tax at 20%.

Losses incurred at Kumtor in the first quarter 2007 have been tax effected based on the expectation that these losses will be utilized in future periods, whereas losses incurred in the quarter in the North American segment have not been tax effected.

The $4.6 million increase in income tax in the first quarter 2007, compared to the first quarter in 2006, reflects a number of factors including that Boroo was exempt from income tax throughout 2006. Tax recoveries in the amount of $1.1 million recorded in the first quarter of 2006 offset income taxes recorded at Kumtor. Recoveries recorded in Q1 2006 included $0.7 million at Kumtor (to reflect the impact on future tax liabilities resulting from a change in the tax rate from 20% to 10%), and $0.4 million in North America (to recognize a recovery of capital taxes in Canada) did not recur in 2007.

Net Earnings

Net earnings for the first quarter of 2007 were $5.9 million or $0.03 per share compared to $18.2 million or $0.08 per share for the same period in 2006. This decrease resulted primarily from lower production volume and higher income tax expense due to Boroo becoming taxable during the period partially offset by higher gold prices.

Liquidity and Capital Resources

Cash provided by operations was $7.8 million for the first quarter of 2007 compared to $32.1 million for the prior year first quarter. The decrease was mainly due to lower earnings resulting from lower volumes at Kumtor, and increased working capital levels due to the timing of gold shipments which resulted in increased inventories and reduced payables in 2007.

Cash used in investing activities in the first quarter of 2007 was $44.1 million for capital spending, (which includes the settlement of $11.6 million for equipment previously received and accrued at the end of 2006) compared to a total of $11.2 million in the same quarter of 2006. Spending on sustaining and growth projects in the first quarter 2007 was $4.5 million and $28.5 million, respectively, compared to $3.1 million and $8.1 million in the same quarter 2006. Growth spending in the first quarter of 2007 included $17.4 million on the Kumtor fleet expansion.

Cash on hand was $149.9 million at the end of the first quarter of 2007 compared to $186.2 million at December 31, 2006.

Centerra has sufficient cash to carry out its business plan in 2007.

Share Capital

As of April 27, 2007, Centerra had 216,238,815 shares outstanding and 879,321 share options outstanding under its stock option plans.

Gold Hedges

During the first quarter of 2007, the remaining $0.6 million of deferred charges, net of deferred revenue, related to the closing of the gold hedges in 2004, were recorded in the income statement. During the first quarter of 2006, $1.9 million of these deferred charges were recorded in the income statement. The impact of these deferred charges has now been fully recognized against earnings.

Market Update

During the first quarter of 2007, the spot market gold price reached a high of $686 per ounce and closed the period at $662 per ounce. For the three months ended March 31, 2007, the spot market gold price averaged $650 per ounce.

Mine Operations

Operating and financial results of the Kumtor and Boroo mines are shown on a 100% basis. Centerra continues to own 100% of Kumtor and 95% of Boroo.

Kumtor – 100% Basis

The Kumtor open pit mine, located in the Kyrgyz Republic, is the largest gold mine in Central Asia operated by a Western-based producer. It has been operating since 1997 and has produced more than 5.8 million ounces.

During the first quarter of 2007, Kumtor experienced one lost-time accident and had no reportable environmental spills.

	Three months ended March 31	
Kumtor Operating Results	**2007**	**2006**
Sales volume – ounces	**57,763**	107,855
Revenue - $ millions [(3)]	**37.3**	59.2
Average realized price - $/oz [(3)]	**645**	548
Tonnes mined - 000s [(4)]	**23,670**	20,200
Tonnes ore mined – 000s	**826**	1,349
Tonnes milled - 000s	**1,362**	1,504
Average mill head grade - g/t [(1)]	**2.18**	2.36
Recovery - %	**69.7**	78.1
Ounces recovered	**66,566**	89,073
Ounces poured	**66,207**	88,848
Total cash costs - $/oz [(2)]	**639**	427
Capital expenditures - $ millions	**25.5**	8.8

(1) g/t means grams per tonne.
(2) Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measure – Total Cash Cost".
(3) Net of the effect of gold hedges, closed out in 2004.
(4) Includes 4 million tonnes of pre-stripped material.

Revenue

Revenue in the first quarter of 2007 decreased to $37.3 million from $59.2 million in the first quarter of 2006 as higher gold prices were more than offset by lower sales volume. Additionally 2006

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revenues included ounces produced in the prior quarter but sold in the first quarter 2006 due to timing of shipments. Kumtor produced 66,207 ounces in the first quarter of 2007, 25% less than the same quarter in 2006, due to lower ore grades, an average of 2.18 g/t in the first quarter of 2007 compared to 2.36 g/t in the first quarter of 2006, as a result of the pit wall movement in July 2006. Realized gold price in the first quarter of 2007 was $645 per ounce compared to $548 per ounce in the same period in 2006.

Cost of Sales

The cost of sales in the first quarter of 2007 was $39.0 million compared to $40.7 million in the first quarter of 2006 reflecting lower volumes partially offset by higher mining costs due to higher prices for consumables, additional maintenance costs associated with a larger fleet of trucks and equipment, and higher labour costs.

Total cash costs per ounce increased to $639 in the first quarter of 2007 from $427 in the first quarter of 2006 primarily as the result of the lower gold production due to lower average grade fed to the mill, lower recoveries and higher labour costs. Production and grade were negatively affected in the period because of the re-sequencing of mining due to the July 2006 pit wall movement.

Pre-stripping of the SB Zone commenced in the third quarter of 2006 and in respect of this activity $4.1 million was capitalized in the first quarter of 2007.

Exploration

Exploration expenditures totaled $3.8 million for the first quarter of 2007, up from $3.1 million in the first quarter 2006. The expenditures relate primarily to drilling the northeastern extension of Kumtor beyond the north end of the Kumtor pit and continuing to test the SB Zone at the south end of the Kumtor pit.

Boroo - 100% Basis

The Boroo open pit gold mine in Mongolia began commercial production on March 1, 2004. During the first quarter of 2007 the mine had no lost-time accidents and had no reportable environmental spills.

	Three months ended March 31	
Boroo Operating Results	**2007**	**2006**
Sales volume - ounces of gold	**69,808**	63,698
Revenue - $ millions (3)	**45.1**	33.8
Average realized price - $/oz (3)	**645**	531
Tonnes mined (4) - 000s	**3,990**	4,004
Tonnes ore mined - 000s	**626**	728
Tonnes milled – 000s	**616**	571
Average mill head grade (g/t) (1)	**3.91**	3.87
Recovery - %	**88.2**	91.7
Ounces of gold recovered	**68,252**	65,133
Ounces of gold poured	**66,798**	64,963
Total cash cost - $/oz (2)	**184**	215
Capital expenditures - $ millions	**7.5**	1.8

(5) g/t means grams per tonne
(6) Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measure – Total Cash Cost".
(7) Net of the effect of gold hedges, closed out in 2004.
(8) Includes 1.5 million tonnes of pre-stripped material but excludes heap leach material.

Revenue

Revenue in the first quarter of 2007 increased to $45.1 million from $33.8 million in the same period a year ago primarily as a result of the higher realized gold price and higher sales volume. Production of 66,798 ounces in the first quarter of 2007 was higher than the first quarter of 2006 due to higher ore grades, 3.91 g/t in first quarter 2007 versus 3.87 g/t in first quarter 2006, and higher throughput resulting from productivity improvements. This was partially offset by lower recovery. The average realized gold price in the first quarter of 2007 was $645 per ounce compared to $531 per ounce in the same period in 2006.

Cost of Sales

The cost of sales for the first quarter of 2007 was $12.5 million compared to $13.8 million in the first quarter of 2006. The decrease reflects lower labour costs and reduced mining costs due to capitalizing the pre-stripping of Pit 6, partially offset by higher cost of consumables. In addition, the mine had a lower waste to ore ratio in the first quarter of 2007 due to equipment scheduling. As well, low-grade ore previously classified as waste is now being stock piled for heap leaching and costed as part of inventory.

Total cash costs per ounce decreased to $184 in the first quarter of 2007 compared to $215 in the same period in 2006, reflecting the higher gold production, lower labor costs and reduced mining costs due to a lower waste to ore ratio.

Capitalized pre-stripping for Pit 6 amounted to $2.2 million in the first quarter of 2007.

Exploration

Exploration expenditures in Mongolia totaled $0.5 million in the first quarter of 2007 compared with $1.6 million in 2006. The expenditures relate primarily to generative work carried out on the Company's extensive land holdings.

Other Financial Information – Related Party Transactions

Cameco Corporation

Centerra and its subsidiaries maintain inter-company advances to and from Cameco Corporation ("Cameco") and several of its subsidiaries to fund operations. These advances, which are non-interest bearing and payable on demand, will be repaid in the ordinary course of business.

Costs associated with the enhancement of internal controls at Centerra (as prescribed by the Sarbanes-Oxley Act) were shared with Cameco up to February 28, 2007, to an agreed amount. During the first quarter of 2007 Cdn$0.3 million (Cdn$0.1 million during the first quarter of 2006) was charged to Cameco.

As a result of the above, the balance receivable from Cameco at March 31, 2007 was Cdn$0.4 million (Cdn$3.8 million receivable at December 31, 2006).

Kyrgyzaltyn and the Government of the Kyrgyz Republic

Revenues from the Kumtor mine are subject to a management fee of $1.50 per ounce based on sales volumes, payable to Kyrgyzaltyn.

The table below summarizes 100% of the management fees, royalties and concession payments paid by the Kumtor Gold Company ("KGC") to Kyrgyzaltyn JSC ("Kyrgyzaltyn") or the Government of the Kyrgyz Republic and the amounts paid by Kyrgyzaltyn to KGC according to the terms of the Gold and Silver Sales Agreement between Kumtor Operating Company, Kyrgyzaltyn and the Government of the Kyrgyz Republic.

$ thousands	**Three months ended March 31**	
Related Parties in the Kyrgyz Republic	**2007**	**2006**
Management fees to Kyrgyzaltyn	**87**	162
Concession payments to Kyrgyz Republic	**231**	431
Total	**318**	593
Gross gold and silver sales to Kyrgyzaltyn	**37,586**	59,934
Deduct: refinery and financing charges	**(247)**	(483)
Net sales revenue received from Kyrgyzaltyn	**37,339**	59,451

Kyrgyzaltyn and Kumtor have agreed, pursuant to a Gold Payment Agreement effective December 22, 2005 as amended (the "GPA") and most recently extended effective November 15, 2006, that until the earlier of (i) May 15, 2007 and (ii) the date on which at least $12 million of proceeds from the sale of shares of Centerra currently owned by Kyrgyzaltyn have been deposited into a special purpose gold payment account of Kyrgyzaltyn, Kyrgyzaltyn will have 12 days to pay for gold shipped from the Kumtor mine. Kyrgyzaltyn shall pay interest on unpaid amounts equal to LIBOR plus 0.25%. Prior to the effective date of the GPA, Kumtor shipped gold to Kyrgyzaltyn on a pre-paid basis. Under the GPA Kyrgyzaltyn has agreed to sell before May 15, 2007, a sufficient number of Centerra shares to yield $12 million of proceeds. These proceeds, which will continue to be held by Kyrgyzaltyn, will fund a gold payment facility, which facility will be used by Kyrgyzaltyn to resume the prior practice of pre-paying for gold. While the GPA is in effect the obligations of Kyrgyzaltyn to Kumtor are secured by a pledge of Centerra shares owned by Kyrgyzaltyn. As at March 31, 2007, there were no amounts outstanding under this agreement. The Company expects that the GPA will be further extended beyond May 15, 2007.

Other

The Company paid and accrued Cdn$176,300 in the first quarter of 2007 (Cdn$131,900 during the first quarter of 2006) to Ms. Marina Stephens, a lawyer and the spouse of President and Chief Executive Officer, Mr. Homeniuk. Ms. Stephens provides legal and business advisory services related to international operations.

Quarterly Results – Last Eight Quarters

Over the last eight quarters, Centerra's results reflect the positive impact of rising gold prices, partially offset by rising cash costs and reduced production at Kumtor due to the pitwall movement in July 2006.

$ millions, except per share data	2007	2006				2005		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Revenue	82	88	76	107	93	75	77	95
Net earnings	6	2	12	29	18	6	9	15
Earnings per share (basic & diluted)	0.03	0.01	0.05	0.13	0.08	0.03	0.04	0.07

Other Corporate Developments

Kyrgyz Republic

The political situation in the Kyrgyz Republic continues to evolve and there continues to be a risk of future political instability. The opposition staged public protest in mid-April calling for the resignation of the President and for amendments to the constitution. The ultimate political implications of these events are not yet clear. The current Prime Minister, Mr. Almazbek Atambayev, who was confirmed on March 30, 2007, endorses broad constitutional and economic reforms.

In February 2007, based on the long-term relationship between the Government of the Kyrgyz Republic and Cameco Corporation as original founders of Centerra, the Government invited Cameco and Centerra to conduct discussions regarding a number of issues concerning Kumtor. On March 26, 2007 the Parliament accepted in the first reading and returned to committee for further deliberation draft legislation that, among other things, challenges to the legal validity of Kumtor agreements with the Kyrgyz Republic, proposes recovery of additional taxes and amounts relating to past activities, and provides for the transfer of gold deposits (including Kumtor) to a state-owned entity. If enacted, there would be a substantial risk of harm to the Company's rights. We expect the draft bill to be the subject of extensive discussion and parliamentary procedure before being considered for further approval, if at all. The bill is on the Parliamentary agenda for its May session, which begins May 21, 2007. Currently this action has no legislative effect and does not interfere with the Company's operations in the country. The parliamentary deputy who sponsored the draft bill was quoted in the local press on April 25, 2007 as stating that, "the law calls for amendments in the existing general agreement, or signing of a new agreement. It cannot be said that this law involves the nationalization of gold production assets." The Company has expanded the scope of its existing arbitration proceeding with the Kyrgyz Republic to include the recent Parliamentary action. The new Prime Minister has made strong public statements supporting a constructive dialogue with the Company and invited Cameco and the Company to continue discussions regarding a number of issues concerning Kumtor. The positive resolution of these issues would help to provide a stable and favourable operational environment for and an improved investment climate in the Kyrgyz Republic. If the issues between Cameco and Centerra, and the Kyrgyz Republic are not resolved to their mutual satisfaction, the risks to Centerra will increase. The Company expects to re-engage in discussions with the new Government regarding the Kumtor Project following the resolution of outstanding political issues in the Country.

In December 2006, at the direct request of the Government, the Company paid disputed amounts relating to land tax and high altitude premium payable to its Kumtor mine employees. The Company has begun international arbitration with the Government to recover the disputed amounts. The total amount in dispute for 2006 is about $7 million.

Pursuant to an agreement dated December 7, 2006 between the Government, KGC, Centerra and Kyrgyzaltyn, KGC has advanced a total of $3 million with the final installment of $1.4 million due in 2007. This money has been distributed to members of the local communities by a committee created by the Government to administer the distribution of compensation. One half of the loan ($2.2 million) is repayable no later than 2010 and is secured by shares of Centerra owned by Kyrgyzaltyn and the other half of the loan ($2.2 million) is forgivable in 2012 if there is no event of default, pursuant to the Investment Agreement between KGC, Centerra and the Government of the Kyrgyz Republic.

The Company has previously reported on inquiries and investigations following the ouster of President Akaev in 2005. None of these inquiries and investigations has resulted in any material negative effect on Kumtor, and to Centerra's knowledge, are inactive or are currently not being pursued by the Kyrgyz authorities. Nonetheless, as the largest foreign investment enterprise in the Kyrgyz Republic, the Kumtor project continues to be the subject of significant political debate.

Mongolia

The Company continues its negotiations regarding its Boroo Stability Agreement and Gatsuurt Investment Agreement with the Mongolian Government amid strong nationalistic sentiment in the country. No agreements have yet been reached.

The Ministry of Finance has alleged certain tax-related violations by the Company and notified it on January 15, 2007 that the Boroo stability agreement will be terminated unless the alleged violations are cured within 120 days. The Company responded to the Minister that in all cases it has either remedied the alleged violations or strongly disputes that a violation exists. Subsequent correspondence with the Minister of Finance indicates that most of the outstanding matters in dispute have been resolved to the Government's satisfaction. The Minister has asserted that Boroo is subject to tax at the rate of 20% effective January 1, 2007, rather than March 1, 2007, on the basis that commercial production, and therefore the three-year tax exemption applicable to Boroo under its Stability Agreement, began on January 1, 2004 rather than March 1, 2004. The Company disputes the Minister's claim. The amount in issue is approximately $4 million for the full year 2007. The Company believes that this and other remaining matters will be resolved through further discussions with the Ministry of Finance or as part of the continuing negotiations on the Boroo Stability

Agreement. At the request of the Parliament, the Mongolian Accounting Chamber is currently conducting a comprehensive audit of the Company's operations in the country.

The Mongolian Parliament continues to debate recent changes to mining legislation and the applicability of the windfall profit tax as well as State participation in various mining projects. The windfall tax applies at the rate of 68% on sales of gold above $500 per ounce. Under the new minerals law, Parliament may designate deposits as strategic and the State may take up to a 34% interest in those strategic deposits in respect of which exploration was funded privately or 50% interest in those strategic deposits in respect of which exploration was funded by the State. On February 6, 2007, Parliament designated the Boroo deposit as strategic but resolved that the State would take no interest as the deposit would continue to be subject to the terms of the existing Stability Agreement. While the Government has acknowledged that neither the windfall profit tax nor the strategic deposit provisions will apply to the Boroo project, it has not yet agreed to provide similar protection to the Company's Gatsuurt project.

Pursuant to an agreement between Centerra Gold Mongolia Limited ("CGM") and Gatsuurt LLC, an arm's length Mongolian limited liability company, under which CGM acquired the Gatsuurt licenses, CGM agreed to transfer the license that covers the Central Zone of the Gatsuurt property to Gatsuurt LLC if CGM did not complete a feasibility study by December 31, 2005. CGM completed a feasibility study in December 2005. In early 2006 Gatsuurt LLC informed Centerra that it does not believe that CGM complied with its obligation. Gatsuurt LLC has recently begun proceedings in the Mongolian National Arbitration Court ("MNAC") alleging non-compliance by CGM and seeking the return of the license. CGM intends to contest the jurisdiction of the arbitration court and continues to believe that the Gatsuurt LLC claim is without merit. However, CGM's challenges may be unsuccessful, resulting in the MNAC taking jurisdiction over the dispute. Any decision of the MNAC may be final and binding on CGM. An appeal, if any, would likely be to the courts of Mongolia.

Critical Accounting Estimates

Centerra prepares its consolidated financial statements in accordance with Canadian GAAP. In doing so, management is required to make various estimates and judgments in determining the reported amounts of assets and liabilities, revenues and expenses for each year presented and in the disclosure of commitments and contingencies. Management bases its estimates and judgments on its own experience, guidelines established by the Canadian Institute of Mining, Metallurgy and Petroleum and various other factors believed to be reasonable under the circumstances. Management believes the following critical accounting policies reflect its more significant estimates and judgments used in the preparation of the consolidated financial statements.

Depreciation and depletion of property, plant and equipment directly involved in the mining and milling operations is primarily calculated using the unit of production method. This method allocates the cost of an asset to each period based on current period production as a portion of total lifetime production or a portion of estimated recoverable ore reserves. Estimates of lifetime production and

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amounts of recoverable reserves are subject to judgment and could change significantly over time. If actual reserves prove to be significantly different than the estimates, there would be a material impact on the amounts of depreciation and depletion charged to earnings.

Mobile equipment and other administrative-type assets are depreciated according to the straight-line method, based on an estimate of their useful lives.

Significant decommissioning and reclamation activities are often not undertaken until substantial completion of the useful lives of the productive assets. Regulatory requirements and alternatives with respect to these activities are subject to change over time. A significant change to either the estimated costs or recoverable reserves would result in a material change in the amount charged to earnings.

If it is determined that carrying values of property, plant and equipment cannot be recovered, then the asset is written down to fair value. Similarly, goodwill is tested for impairment annually to ensure that the fair value remains greater than or equal to book value. Any excess of book value over fair value is charged to income in the period in which the impairment is determined. Recoverability and fair value assessments are dependent upon assumptions and judgments regarding future prices, costs of production, sustaining capital requirements and economically recoverable ore reserves and resources. A material change in assumptions may significantly impact the potential impairment of these assets.

Changes in accounting policies

Effective on January 1, 2007, the Company adopted the recommendations of CICA Handbook Section 1530, Comprehensive Income ("Section 1530") and Section 3855, Financial Instruments - Recognition and Measurement ("Section 3855). These sections provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives. See the Company's financial statements for full disclosure.

Outlook

The Company expects production at Kumtor in 2007 to be 450,000 to 460,000 ounces. Total cash cost is expected to be $440 to $450 per ounce. Recently, minor slope movement has been detected in the waste dump above the Central Pit and SB Zone highwall. The waste dump slope is currently designed at a 33 degree angle. Geotechnical drilling and analysis is underway to determine whether a lower design slope angle is required to stabilize the waste dump and if so, the effect on future production.

At Boroo, the Company expects, on a 100% basis, production of 250,000 to 260,000 ounces of gold in 2007 consistent with the previous forecast. Total cash cost is expected to be $250 to $260 per ounce in 2007.

Overall, Centerra now expects production in 2007 of 700,000 to 720,000 ounces. Cash costs are now expected to be $375 to $385 per ounce in 2007.

In terms of sensitivity of results for the last nine months of 2007, a $25 per ounce change in the gold spot price is anticipated to affect revenues, net earnings and cash from operations by approximately $15 million, $12 million ($0.06 per share) and $13 million, respectively.

Centerra's production and unit costs are forecast as follows:

Production *Ounces of gold except where noted*	**Q1 2007 Actual**		**2007 Forecast**	**2006 Actual**
Kumtor production (100%)	**66,207**		450,000 – 460,000	303,582
Boroo's production (100%)	**66,798**		250,000 – 260,000	282,802
Total production (100%)	**133,005**		700,000 – 720,000	586,384
Total production (Centerra share)	**129,665**		688,000 – 707,000	572,244

Total Cash Cost (1) *$ per ounce*	**Q1 2007 Actual**		**2007 Forecast**	**2006 Actual**
Kumtor	**639**		440 – 450	544
Boroo	**184**		250 – 260	217
Consolidated	**410**		375 – 385	386

(1) Total cash cost is a non-GAAP measure. See "Non-GAAP Measure - Total Cash Cost below.

Exploration and Business Development

One of Centerra's priorities is to continue to add to its reserves and resources base through its exploration program. Activities at Kumtor, Boroo, Gatsuurt and REN are planned as follows:

The 2007 exploration program will continue the aggressive exploration at the Kumtor mine, target generation programs at the Boroo mine and around the Gatsuurt project and on our extensive land holdings in Mongolia. Generative programs will continue in Central Asia, Russia and China. Accordingly, the Company has forecast $25 million of spending on its program for the year. The forecast includes $15 million for exploration at Kumtor.

The business development program is forecast at $4.2 million for 2007 to support the M&A initiatives of the Company during the year.

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Activities at Kumtor, Boroo, Gatsuurt and REN are planned as follows:

Kumtor

- Additional drilling programs are planned in the vicinity of the main Kumtor pit to test for strike and dip extensions of the SB and NB zones.

- Exploration work will continue on other target areas such as Bordoo and Akbel.

Boroo

- At the Boroo mine, programs will focus on generating and testing targets for additional mineralization around the Boroo operating facilities.

Mongolia

- Trenching and drilling of targets in the area of the Gatsuurt deposit is planned for 2007, and also additional target generation work.

- Exploration programs will continue to evaluate Centerra's significant land position.

REN

- Data from the 2006 drill program will be compiled and targets evaluated for further drilling. Barrick Gold holds a 32% joint-venture interest in the REN property. Barrick Gold has elected not to participate in further exploration on the REN property in 2007.

Administration

Annual corporate and administration expenses are expected to amount to approximately $30 million in 2007. The forecast includes increased personnel at the corporate office, costs for securing a credit facility and the continued implementation and maintenance costs of regulatory standards.

Corporate Income Taxes

The tax rates for 2007 applicable to Kumtor, based on the existing investment agreement is 10% and for Boroo, based on the existing Stability Agreement is 20%, (from March 1, 2007). Boroo's three-year 100% tax exemption ended February 28, 2007 following which the mine is subject to half of the statutory rate (which was 40% when the Stability Agreement was signed). The Boroo Stability Agreement protects it from the windfall profits tax. Negotiations with the Mongolian Government to amend the Boroo Stability Agreement, and to implement an investment agreement for the Gatsuurt project, are continuing. No agreements have yet been reached.

Capital Expenditures

The capital requirement in 2007 is estimated at $131 million including $27 million of maintenance capital. Growth capital is forecast at $104 million, which includes $59 million at Kumtor ($17 million for the development of the SB zone decline, $12 million to pre-strip the SB zone in the Central Pit and $20 million for equipment originally scheduled for delivery in 2006 received in the first quarter of 2007) and $44 million at Boroo (Heap Leach and Gatsuurt projects accounting for $19 million and $25 million, respectively). Amounts for the development of the SB zone decline, pre-stripping of the SB zone, heap leach at Boroo and the Gatsuurt project will be capitalized and amortized on a units of production basis consistent with the Company's accounting policies.

Non-GAAP Measure - Total Cash Cost

This MD&A presents information about total cash cost of production of an ounce of gold for the operating properties of Centerra. Except as otherwise noted, total cash cost per ounce is calculated by dividing total cash costs, as determined using the industry standard published by the Gold Institute, by gold ounces produced for the relevant period.

Total cash costs, as defined in the Gold Institute standard, include mine operating costs such as mining, processing, administration, royalties and production taxes, but exclude amortization, reclamation costs, financing costs and capital, development and exploration. Certain amounts of stock-based compensation have been excluded as well.

Total cash cost per ounce has been included because certain investors use this information to assess performance and also to determine the ability of Centerra to generate cash flow for use in investing and other activities. The inclusion of total cash cost per ounce enables investors to better understand year-on-year changes in production costs, which in turn affect profitability and cash flow.

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Total Cash Cost per Ounce can be Reconciled as follows:

Centerra Gold Inc. **TOTAL CASH COST RECONCILIATION (unaudited)** **($ millions, unless otherwise specified)**	**Three months ended March 31,** **2007**	**2006**
Centerra:		
Cost of sales, as reported	**$ 51.5**	$ 54.5
Adjust for:		
Refining fees & by-product credits	**0.1**	0.1
Non-operating costs	**0.8**	(1.6)
Inventory movement	**2.1**	(1.2)
Total cash cost - 100%	**$ 54.5**	$ 51.8
Ounces poured - 100% (000)	**133.0**	153.8
Total cash cost per ounce	**$ 410**	$ 337
Kumtor:		
Cost of sales, as reported	**$ 39.0**	$ 40.7
Adjust for:		
Refining fees & by-product credits	**-**	-
Non-operating costs	**0.8**	(1.4)
Inventory movement	**2.4**	(1.4)
Total cash cost - 100%	**$ 42.2**	$ 37.9
Ounces poured - 100% (000)	**66.2**	88.8
Total cash cost per ounce	**$ 639**	$ 427
Boroo:		
Cost of sales, as reported	**$ 12.5**	$ 13.8
Adjust for:		
Refining fees & by-product credits	**0.1**	0.1
Non-operating costs	**-**	(0.2)
Inventory movement	**(0.3)**	0.2
Total cash cost - 100%	**$ 12.3**	$ 13.9
Ounces poured - 100% (000)	**66.8**	65.0
Total cash cost per ounce	**$ 184**	$ 215

Centerra Gold Inc.

Consolidated Financial Statements

For the Quarter Ended March 31, 2007

(Unaudited)

(Expressed in United States Dollars)

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Centerra Gold Inc.
Consolidated Balance Sheets
(Expressed In thousands of United Stated Dollars)

	March 31, 2007	December 31, 2006
	(Unaudited)	
Assets		
Current assets		
Cash	$ 149,883	$ 186,159
Amounts receivable	14,917	24,006
Inventories	97,760	83,714
Prepaid expenses	14,387	24,737
	276,947	318,616
Property, plant and equipment	328,691	305,366
Goodwill	154,586	154,586
Long-term receivables, investments and other	6,325	6,778
Future income tax asset	10,043	8,901
	499,645	475,631
Total assets	$ 776,592	$ 794,247
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 35,025	$ 62,347
Provision for reclamation (note 3)	18,739	16,532
Non-controlling interest	11,207	9,829
Shareholders' equity		
Share capital (note 4)	522,383	522,383
Contributed surplus	30,395	30,257
Retained earnings	158,843	152,899
	711,621	705,539
Total liabilities and shareholders' equity	$ 776,592	$ 794,247

Commitments and Contingencies (note 8)

The accompanying notes form an integral part of these consolidated financial statements.

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Centerra Gold Inc.
Consolidated Statements of Earnings and Retained Earnings
(Unaudited)
(Expressed In thousands of United Stated Dollars)

	Three Months Ended	
	March 31, 2007	**March 31, 2006**
Revenue from		
Gold sales	**$ 82,327**	$ 92,967
Expenses		
Cost of sales	**51,452**	54,482
Depreciation, depletion and amortization	**9,730**	10,199
Accretion and reclamation expense (note 3)	**471**	(2,140)
Exploration and business development (note 5)	**6,409**	6,969
Interest and other (income)	**(1,863)**	(1,976)
Administration	**4,323**	6,425
	70,522	73,959
Earnings before income taxes and non-controlling interest	**11,805**	19,008
Income tax expense(recovery) (note 6)	**4,483**	(127)
Non-controlling interest	**1,378**	889
Net earnings and other comprehensive income	**$ 5,944**	$ 18,246
Retained earnings, beginning of period	**152,899**	92,299
Retained earnings, end of period	**158,843**	110,545
Basic and diluted earnings per common share [note 7]	**$ 0.03**	$ 0.08

The accompanying notes form an integral part of these consolidated financial statements.

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Centerra Gold Inc.

Consolidated Statements of Cash Flows

(Unaudited)

(Expressed In thousands of United Stated Dollars)

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
Operating activities		
Net earnings	**$ 5,944**	$ 18,246
Items not involving cash:		
Depreciation, depletion and amortization	**9,730**	10,199
Accretion and reclamation expense	**471**	(2,140)
Deferred charges recognized	**557**	1,868
Future income tax expense (recovery)	**(1,142)**	(279)
Non-controlling interest	**1,378**	889
Other operating items	**905**	(980)
	17,843	27,803
(Increase) decrease in working capital	**(10,053)**	4,300
Cash provided by operations	**7,790**	32,103
Investing activities		
Additions to property, plant and equipment	**(44,066)**	(11,165)
Cash used in investing	**(44,066)**	(11,165)
Increase (decrease) in cash during the period	**(36,276)**	20,938
Cash at beginning of the period	**186,159**	202,417
Cash at end of the period	**$ 149,883**	$ 223,355

The accompanying notes form an integral part of these consolidated financial statements.

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1. Basis of Presentation

These unaudited interim consolidated financial statements of Centerra Gold Inc. (“Centerra”) have been prepared by management in accordance with accounting principles generally accepted in Canada ("Canadian GAAP") for interim financial statements. Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with Canadian GAAP have been condensed or excluded.

As a result, these unaudited interim consolidated financial statements do not contain all disclosures required to be included in the annual consolidated financial statements and should
be read in conjunction with the most recent audited annual consolidated financial statements
and notes thereto for the year ended December 31, 2006.

Centerra’s ownership interests consist of a 100% interest in the Kumtor mine, a 95% interest in the Boroo mine, a 100% interest in the Gatsuurt property and a 62% interest in the REN deposit.

2. Changes in accounting policies:

These unaudited interim consolidated financial statements are prepared following accounting policies consistent with the Company's audited annual consolidated financial statements and notes thereto for the year ended December 31, 2006, except for the following changes in accounting policies:

a. Accounting changes:

In July 2006, the Accounting Standards Board ("AcSB") issued a replacement of The Canadian Institute of Chartered Accountants' Handbook ("CICA Handbook") Section 1506, Accounting Changes. The new standard allows for voluntary changes in accounting policy only when they result in the financial statements providing reliable and more relevant information, requires changes in accounting policy to be applied retrospectively unless doing so is impracticable, requires prior period errors to be corrected retrospectively and calls for enhanced disclosures about the effects of changes in accounting policies, estimates and errors on the financial statements. The impact that the adoption of Section 1506 will have on the Company's results of operations and financial condition will depend on the nature of future accounting changes.

2. Changes in accounting policies (continued):

b. Financial instruments:

Effective on January 1, 2007, the Company adopted the recommendations of CICA Handbook Section 1530, Comprehensive Income ("Section 1530") and Section 3855, Financial Instruments - Recognition and Measurement ("Section 3855). These sections provide standards for recognition, measurement, disclosure and presentation of financial assets, financial liabilities and non-financial derivatives. Section 1530 provides standards for the reporting and presentation of comprehensive income, which represents the change in equity, from transactions and other events and circumstances from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with Canadian GAAP.

Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated. The adoption of these Handbook Sections had no impact on opening retained earnings. Under Section 3855, financial instruments must be classified into one of these five categories: held-for trading, held-to-maturity, loans and receivables, available-for sale financial assets or other financial liabilities.

All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income.

Upon adoption of these new standards, the Company designated its cash and cash equivalents as held-for trading, which are measured at fair value. Any marketable securities that are not cash equivalents will be classified as available-for-sale securities measured at fair value and the resulting gain or loss will be recognized in other comprehensive income until the financial asset is derecognized at which point all related cumulative gains or losses will be recognized in the consolidated statement of operations and deficit.

Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable, accrued liabilities and debenture, are classified as other financial liabilities. The Company had neither available for sale, nor held to maturity instruments during the three months ended March 31, 2007.

As at March 31, 2007 the fair values of the Company's assets and liabilities approximate their carrying values due to the relatively short maturity of these instruments.

(Expressed in thousands of United States Dollars)

2. Changes in accounting policies (continued):

The adoption of these new standards translated into an increase in accumulated other comprehensive income of $0.6 million relating to deferred hedging losses at January 1, 2007.

These amounts have been fully recognized in earnings during the three months ended March 31, 2007.

c. Non-monetary transactions:

Effective January 1, 2007, the Company adopted the new recommendations of CICA Handbook Section 3831, Non-monetary Transactions prospectively. This standard requires all non-monetary transactions be measured at fair value unless they meet one of four criteria. Commercial substance replaces culmination of the earnings process as the test for fair value measurement. A transaction has commercial substance if it causes an identifiable and measurable change in the economic circumstances of the entity. The adoption of this standard had no impact on the Company's financial statements

3. Asset Retirement Obligations

Following is a reconciliation of the total consolidated liability for asset retirement obligations:

(Thousands of US$)	Mar 31/07	Mar 31/06
Balance, beginning of period	**$ 16,532**	$ 17,897
Liabilities incurred / (settled)	**(29)**	282
Revisions in estimated timing of cash flows	**1,923**	(2,588)
Accretion expense	**313**	449
Balance, end of period	**$ 18,739**	$ 16,040

An increase to the present value of the closure cost estimate at the Boroo mine site of $1,923 was recorded during the first quarter of 2007, following the completion of a regularly scheduled closure cost update study.

A reduction in the present value of the obligation of $2,588 recorded in the first quarter 2006 reflected the delay in the reclamation spending at Kumtor due to the significant new reserve announced at the beginning of the year.

(Expressed in thousands of United States Dollars)

4. Shareholders' Equity

a) Share capital

Centerra is authorised to issue an unlimited number of common shares, class A non-voting shares and preference shares with no par value. As at March 31, 2007 the number of outstanding shares is as follows:

Number Issued	2007 (Number of Shares)	2007 (Thousands of $US)
Beginning and end of period	**216,238,815**	**$ 522,383**

b) Stock-based compensation
Stock options

Centerra Plan
As at March 31, 2007 a total of 879,321 stock options was outstanding at March 31, 2007 with a weighted average strike price of Cdn$8.07.

Cameco Plan
A total of 96,600 stock options related to Cameco shares was outstanding at March 31, 2007 at a market price of Cdn $47.30 per share.

Performance share units
At March 31, 2007, a total of 776,870 performance share units for employees and officers of the Company was outstanding.

Deferred share units
At March 31, 2007, a total of 155,292 deferred share units for directors of the Company was outstanding

5. Exploration and Business Development

(Thousands of US$)	**Three months ended**	
	Mar 31/07	**Mar 31/06**
Exploration costs	**$5,321**	$ 5,652
Business development and feasibility costs	**1,088**	1,317
	$6,409	$ 6,969

(Expressed in thousands of United States Dollars)

6. Income Tax Expense

Income tax expense of $4.5 million in the quarter reflects the fact that in accordance with the Stability Agreement, Boroo became taxable effective March 1, 2007. Taxes for Boroo have been calculated an the effective rate of 18.93%, reflecting a tax free period extending to February 28, 2007 and a reduced tax rate for the period March 1, 2007 through February 28, 2010.

Losses incurred at Kumtor in the first quarter 2007 have been tax effected based on the expectation that these losses will be utilized in future periods, whereas losses incurred in the quarter in the North American segment have not been tax effected.

7. Earnings Per Share Amounts

Basic and diluted earnings per share is determined by dividing net earnings by the basic and diluted weighted-average number of common shares outstanding respectively during the quarter and year.

(Thousands, except as indicated)	*Three Months Ended*	
	Mar 31/07	**Mar 31/06**
Basic weighted average number of common shares outstanding	**216,239**	216,239
Effect of stock options (thousands)	**320**	307
Diluted weighted average number of common shares outstanding	**216,559**	216,546
Basic and diluted earnings per common share	**$0.03**	$0.08

8. Commitments and Contingencies

Kyrgyz Republic operations

In December 2006, at the direct request of the Kyrgyz Government, the Company paid disputed amounts relating to land tax on certain non agricultural land leased by Kumtor and high altitude premium payable to its Kumtor mine employees. The Company has begun international arbitration with the Government to recover the disputed amounts. The total amount in dispute related to 2006 is approximately $7 million.

8. Commitments and Contingencies (continued)

Kyrgyz Republic operations (continued)

In February 2007, based on the long-term relationship between the Government of the Kyrgyz Republic and Cameco Corporation as original founders of Centerra, the Government invited Cameco and Centerra to conduct discussions regarding a number of issues concerning Kumtor. On March 26, 2007 the Parliament of the Kyrgyz Republic accepted in the first reading and returned to committee for further deliberation draft legislation that among other things challenges the legal validity of Kumtor's agreements with the Kyrgyz Republic, proposes recovery of additional taxes and amounts relating to past activities, and provides for the transfer of gold deposits (including Kumtor) to a state-owned entity. If enacted, there would be a substantial risk of harm to the Company's rights. Currently this action has no legislative effect and does not interfere with the Company's operations in the country. The bill is on the agenda for its May session, which begins May 21, 2007. If the issues between Cameco and Centerra, and the Kyrgyz Republic are not resolved to their mutual satisfaction, the risks to Centerra will increase. The Company expects to re-engage in discussions with the new Government regarding the Kumtor Project following the resolution of outstanding political issues in the country.

Pursuant to an agreement dated December 7, 2006 between the Government, Kumtor Gold Company ("KGC"), Centerra and Kyrgyzaltyn, KGC has advanced a total of $3 million with the balance of $1.4 million due in 2007. One half of the loan ($2.2 million) is repayable no later than 2010 and is secured by shares of Centerra owned by Kyrgyzaltyn and the other half of the loan ($2.2 million) is forgivable in 2012 if there is no event of default, pursuant to the Investment Agreement between KGC, Centerra and the Government of the Kyrgyz Republic. During the first quarter 2007, an obligation of $0.7 million was accrued and charged against earnings.

Mongolia operations

Pursuant to an agreement between Centerra Gold Mongolia Limited ("CGM") and Gatsuurt LLC, an unrelated Mongolian company, under which CGM acquired the Gatsuurt licenses, CGM agreed to transfer the principal license covering the Gatsuurt property to Gatsuurt LLC if CGM did not complete a feasibility study by December 31, 2005. CGM completed a feasibility study in 2005. Gatsuurt LLC informed Centerra that it did not believe that CGM complied with its obligation and filed a claim in the Mongolian national arbitration court alleging non-compliance by CGM and seeking the return of the principal license for the Gatsuurt property. CGM intends to contest the jurisdiction of the arbitration court and continues to believe that the terms of this agreement have been fully met and that the Gatsuurt LLC claim is without merit. However, CGM's challenges may be unsuccessful, resulting in the MNAC taking jurisdiction over the dispute. Any decision of the MNAC may be final and binding on CGM. An appeal, if any, would likely be to the courts of Mongolia.

8. Commitments and Contingencies (continued)

Mongolia operations (continued)

The Ministry of Finance has alleged certain tax-related violations by the Company and notified it on January 15, 2007 that the Boroo Stability Agreement will be terminated unless the alleged violations are cured within 120 days. The Company responded to the Minister that in all cases it has either remedied the alleged violations or strongly disputes that a violation exists. Subsequent correspondence with the Minister of Finance indicates that most of the outstanding matters in dispute have been resolved to the Government's satisfaction. The Minister has asserted that Boroo is subject to tax at the rate of 20% effective January 1, 2007, rather than March 1, 2007, on the basis that commercial production, and therefore the three-year tax exemption applicable to Boroo under its Stability Agreement, began on January 1, 2004 rather than March 1, 2004. The Company disputes the Minister's claim. The amount in issue is approximately $4 million for the full year 2007. The Company believes that this and other remaining matters will be resolved through further discussions with the Ministry of Finance or as part of the continuing negotiations on the Boroo Stability Agreement.

9. Related Party Transactions

Cameco Corporation

Centerra and its subsidiaries maintain inter-company advances to and from Cameco and several of its subsidiaries to fund operations. These advances, which are non-interest bearing and payable on demand, will be repaid in the ordinary course of business.

Costs associated with the enhancement of internal controls at Centerra (as prescribed by the Sarbanes-Oxley Act) were shared with Cameco up to February 28, 2007 to a prescribed amount. During the first quarter of 2007, approximately $0.3 million Cdn ($0.1 million Cdn during the first quarter 2006) was charged to Cameco.

A net receivable balance from Cameco of $0.4 million Cdn was outstanding at March 31, 2007 ($3.8 million Cdn receivable from Cameco at December 31, 2006).

Other

The Company paid and accrued $176,300 Cdn in the first quarter of 2007, ($131,900 Cdn in the first quarter of 2006) to Ms Marina Stephens, a lawyer and the spouse of President and Chief Executive Officer, Mr. Homeniuk. Ms Stephens provides certain designated legal and business advisory services related to international operations.

Kyrgyzaltyn and the Government of the Kyrgyz Republic

Revenues from the Kumtor gold mine are subject to a management fee of $1.50 per ounce based on sales volumes, payable to Kyrgyzaltyn, a shareholder of the Company.

The table below summarizes 100% of the management fees, royalties and concession payments paid by Kumtor to Kyrgyzaltyn or the Government of the Kyrgyz Republic and the amounts paid by Kyrgyzaltyn to Kumtor according to the terms of a Gold and Silver Sales Agreement between Kumtor Operating Company ("KOC"), Kyrgyzaltyn and the Government of the Kyrgyz Republic.

(Expressed in thousands of United States Dollars)

(Thousands of US$)	*Three Months Ended*	
	Mar 31/07	**Mar 31/06**
Management fees to Kyrgyzaltyn	**$ 87**	$ 162
Concession payments to the Kyrgyz Republic	**231**	431
	$ 318	$ 593
Gross gold and silver sales to Kyrgyzaltyn	**$ 37,586**	$ 59,934
Deduct: refinery and financing charges	**(247)**	(483)
Net sales revenue received from Kyrgyzaltyn	**$ 37,339**	$ 59,451

During 2007, management fee commitments to Kyrgyzaltyn are offset against the advance of $1.0 million which was made for this purpose in November 2005. From this initial advance, an amount of $0.1 million remains to be applied as at March 31, 2007.

Kyrgyzaltyn and Kumtor have agreed, pursuant to a Gold Payment Agreement effective December 22, 2005 as amended (the "GPA") and most recently extended effective from November 15, 2006, that until the earlier of (i) May 15, 2007 and (ii) the date on which at least $12 million of proceeds from the sale of shares of Centerra currently owned by Kyrgyzaltyn have been deposited into a special purpose gold payment account of Kyrgyzaltyn, Kyrgyzaltyn will have 12 days to pay for gold shipped from the Kumtor mine. Kyrgyzaltyn shall pay interest on unpaid amounts equal to LIBOR plus 0.25%. Prior to the effective date of the GPA, Kumtor shipped gold to Kyrgyzaltyn on a pre-paid basis. Under the GPA Kyrgyzaltyn has agreed to sell before May 15, 2007, a sufficient number of Centerra shares to yield $12 million of proceeds. These proceeds, which will continue to be held by Kyrgyzaltyn, will fund a gold payment facility, which facility will be used by Kyrgyzaltyn to resume the prior practice of pre-paying for gold. While the GPA is in effect the obligations of Kyrgyzaltyn to Kumtor are secured by a pledge of Centerra shares owned by Kyrgyzaltyn. As at March 31, 2007, there were no amounts outstanding under this agreement. The Company expects that the GPA will be further extended beyond May 15, 2007.

10. Segmented Information

Centerra has three reportable segments. The Kyrgyz Republic segment involves the operations of the Kumtor Gold Project and local exploration and development activities, and the Mongolian segment involves the operations of the Boroo Gold Project, development of the Gatsuurt Project and local exploration activities. The North American segment involves the head office located in Toronto, loans to each of the mine operations, as well as exploration activities on North American projects.

Geographic Segmentation of Revenue

All production from the Kumtor Gold Project was sold to the Kyrgyzaltyn refinery in the Kyrgyz Republic while production from the Boroo Gold Project was sold to a refinery that is located in Ontario, Canada.

(Expressed in thousands of United States Dollars)

10. Segmented Information (continued)

Three months ended March 31, 2007

($ millions)	Kyrgyz Republic	Mongolia	North America	Total
Revenue	**$ 37.2**	**$ 45.1**	**$ -**	**$ 82.3**
Expenses				
Cost of sales	**39.0**	**12.5**	**-**	**51.5**
Depreciation, depletion and amortization	**5.5**	**4.0**	**0.2**	**9.7**
Accretion and reclamation expense	**0.2**	**0.3**	**-**	**0.5**
Exploration and business development	**3.9**	**0.5**	**2.0**	**6.4**
Interest and other	**0.4**	**(1.1)**	**(1.2)**	**(1.9)**
Administration	**0.7**	**0.4**	**3.2**	**4.3**
Earnings (loss) before income taxes and Non-controlling interest	**(12.5)**	**28.5**	**(4.2)**	**11.8**
Income tax expense (recovery)	**(2.2)**	**6.7**	**-**	**4.5**
Non-controlling interest	**-**	**1.4**	**-**	**1.4**
Net earnings (loss)	**$ (10.3)**	**$ 20.4**	**$ (4.2)**	**$ 5.9**
Capital expenditures for the quarter	**$ 25.5**	**$ 7.5**	**$ -**	**$ 33.0**

Three months ended March 31, 2006

($ millions)	Kyrgyz Republic	Mongolia	North America	Total
Revenue	$ 59.2	$ 33.8	$ -	$ 93.0
Expenses				
Cost of sales	40.7	13.8	-	54.5
Depreciation, depletion and amortization	5.7	4.3	0.2	10.2
Accretion and reclamation expense	(2.2)	0.1	-	(2.1)
Exploration and business development	3.1	2.7	1.2	7.0
Interest and other	0.4	0.1	(2.5)	(2.0)
Administration	0.6	0.4	5.4	6.4
Earnings (loss) before income taxes and minority interest	10.9	12.4	(4.3)	19.0
Income tax expense (recovery)	(0.2)	-	0.1	(0.1)
Minority interest	-	0.9	-	0.9
Net earnings (loss)	$ 11.1	$ 11.5	$ (4.4)	$ 18.2
Capital expenditures for the quarter	$ 8.8	$ 1.8	$ 0.6	$ 11.2

- end -