NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold identifies high grade underground potential in the SB Zone at Kumtor and Reports further positive drilling results from Sarytor and REN

Toronto, Canada, October 26th, 2006: Centerra Gold Inc. (TSX: CG) provides updates on its exploration program:

- Exploration results at the Kumtor mine continues to expand the SB Zone and indicates high grade underground mining potential.
- Drilling at Sarytor confirms grade and continuity of the resource.

Kumtor Drilling Update

SB Zone

A further four drill holes were completed during the third quarter of 2006 to test targets in the south end of the Kumtor pit. Four holes were drilled to test the down dip and strike extensions of the SB Zone. All of the holes intersected significant mineralization with the holes returning intercepts from 2.24 to 27.73 g/t Au over down hole core lengths ranging from 18.3 to 109.7 metres. Hole D1121A intersected the SB Zone at the 3,600 metre elevation between sections 18 and 22 and returned an intercept of 6.2 g/t Au over 109.7 metres, which includes an intercept of 22.2 g/t Au over 19.4 metres. This hole continues to define a higher grade core in the SB Zone, which extends down dip below the ultimate pit design, and indicates the opportunity for a significant high grade deposit. This is the deepest drill hole completed on the SB Zone to date by Centerra and the widest mineralized intercept. True widths for the mineralized zones are typically from 70% to 95% of the stated intercepts. The recent drilling has extended the SB Zone down dip on three sections. The SB Zone has now been delineated over a 360 metre strike length and down dip lengths ranging from 70 to 520 metres on various drill sections. The SB Zone remains open along strike to the south, down plunge to the northeast and in the down dip direction. Drilling of the SB Zone is continuing in the fourth quarter and preliminary engineering work is underway to evaluate the opportunity for mining the higher grade mineralization from underground. In the second quarter of 2006 the Kumtor exploration budget was increased by 30% to a total of $15 million for the year.

"The high grade intercepts below the ultimate pit are extremely encouraging and demonstrate significant underground mining potential at Kumtor." said Ian Atkinson, Vice President Exploration. "Further drilling and engineering studies are underway to further evaluate this exciting development at Kumtor"

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North Extension

A drill hole was drilled in the north end of the Kumtor pit to test for the extension of the mineralization along strike to the north. This drill hole was designed to test between section 198, the last continuous zone of mineralization within the pit area and a drill hole, reported in the first quarter 2006, that intersected mineralization at the 3,740 metre elevation, containing an intercept grading 3.27 g/t Au over 13.6 metres. The first quarter 2006 intercept extended the known gold mineralization 440 metres northward along strike from the prior most northerly drill hole in the Kumtor structure. The current drill hole did not intersect any significant mineralization and is interpreted to have intersected the Kumtor structure at too high an elevation. Additional drilling is planned for the fourth quarter of 2006 to further test the northerly strike extension of the Kumtor mineralized structure with widely spaced drill holes at different elevations.

Kumtor Pit Drilling Highlights – July 1st to September 30th, 2006

Drill Hole	Location	Zone		From (m)	To (m)	Core Length (m)	Au (g/t)
D1113B	North end				No Significant Mineralization		
D1116A	South end	SB zone		325.7	344.0	18.3	6.19
	Infill		**incl.**	337.6	342.5	4.9	12.36
D1117	South end	SB zone		399.0	458.1	59.1	12.10
	Down Dip Extension		**incl.**	414.5	422.7	8.2	20.54
			incl.	427.0	439.6	12.6	27.73
		SB zone		491.8	505.1	13.3	1.85
D1119	South end	SB zone		182.8	212.0	29.2	2.24
	Infill		**incl.**	192.3	195.0	3.7	10.65
		SB Zone		383.5	398.0	14.5	3.87
			incl.	394.3	398.0	3.7	10.65
D1121	South end	SB zone		441.2	451.2	10.0	4.98
	Down Dip Extension	SB zone		472.1	477.1	5.0	6.84
		SB zone		483.1	592.8	109.7	6.17
			incl.	502.5	521.9	19.4	22.21

Notes

Individual assays are top cut to 60 g/t Au prior to composite calculation

True widths for mineralized zones are about 70% to 95% of stated down hole interval

Sarytor

In the third quarter of 2006, at the **Sarytor** deposit, which is located immediately to the west of the Southwest Zone and five kilometres from the Kumtor mill, an infill drilling program continued with five drills. Thirty drill holes totaling 5,321 metres were completed. The objectives of the program are to systematically infill between the existing 80 metre spaced drill sections to develop

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a drill spacing to enable conversion of the resource to reserve and to determine the limits of the mineralized horizons. The infill drill holes are confirming the continuity of the mineralization between the drill sections with results ranging from 1.29 to 24.1 g/t Au over widths from 0.8 to 55.2 metres. The best down hole intersections averaged 8.4 g/t Au over 26.7 metres, 7.0 g/t Au over 18.6 metres and 12.7 g/t Au over 14.1 metres. True widths for the mineralized zones are typically from 70% to 95% of the stated intercepts. The infill drilling has now confirmed the mineralization between 80 metre wide sections and has also extended mineralization down dip on some sections with the majority of the drill holes returning results as expected and a number of drill holes returning intercepts better than expected. The results indicate that the mineralization, although continuous, is variable in thickness and grade along strike and down dip.

Work on Sarytor has been accelerated to complete the resource definition and engineering work to ready the deposit for production as early as possible in 2007.

Sarytor Drilling Highlights – July 1st to September 30th 2006

Drill Hole	Drill Section		From (m)	To (m)	Core Length (m)	Au (g/t)
SR-06-89C	**212**		154.0	174.0	20.0	3.46
		incl.	155.0	162.8	7.8	6.56
SR-06-98A	**152**		148.0	155.6	7.6	2.12
			173.9	182.9	9.0	2.18
			185.6	190.6	5.0	1.39
SR-06-99	**176**		21.0	43.4	22.4	1.59
			74.8	84.1	9.3	4.81
SR-06-100	**152**		109.9	112.9	3.0	1.98
			120.2	153.6	33.4	2.92
			163.1	164.7	1.6	2.80
SR-06-102	**160**		88.1	101.1	13.0	1.72
			107.3	111.3	4.0	1.93
			115.3	120.9	5.6	1.46
			127.0	142.0	15.0	2.00
		incl.	130.0	136.0	6.0	3.01
			160.4	162.4	2.0	3.29
SR-06-103	**152**		77.7	115.8	38.1	2.27
		incl.	83.4	94.5	11.1	4.05

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SR-06-105	**160**		71.3	102.5	31.2	1.82
		incl.	76.0	81.2	5.2	3.16
SR-06-107	**172**		144.0	173.0	29.0	4.20
		incl.	148.4	159.0	10.6	6.24
			218.2	219.8	1.6	3.84
SR-06-109	**176**		96.1	99.9	3.8	2.26
			110.0	114.0	4.0	2.16
			123.3	126.8	3.5	2.55
			165.2	167.2	2.0	10.07
SR-06-111	**224**		16.5	27.5	11.0	1.29
			31.2	35.2	4.0	2.49
			43.2	63.8	20.6	2.24
		incl.	47.1	53.2	6.1	3.50
SR-06-112	**160**		18.0	30.0	12.0	1.62
			39.1	49.2	10.1	1.73
			54.2	57.2	3.0	1.38
			85.3	90.9	5.6	1.39
SR-06-113	**168**		84.2	86.2	2.0	3.52
			101.6	138.6	37.0	1.98
			162.1	166.6	4.5	4.36
SR-06-115	**176**		47.0	51.6	4.6	1.45
			65.6	69.2	3.6	1.58
			81.4	84.1	2.7	2.30
SR-06-116	**204**		101.6	104.1	2.5	2.45
			107.3	113.3	6.0	1.75
			179.0	197.6	18.6	7.02
		incl.	179.0	180.0	1.0	11.72
		incl.	186.3	189.3	3.0	24.08
SR-06-117	**176**		16.5	19.3	2.8	5.54
		incl.	17.3	18.3	1.0	12.52
SR-06-118	**168**		113.8	119.5	5.7	2.02

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SR-06-120	**176**		147.6	155.1	7.5	1.95
			159.7	188.5	28.8	1.62
SR-06-121	**196**		90.0	95.3	5.3	1.87
			141.2	154.9	13.7	2.35
		incl.	143.2	150.6	7.4	3.36
			174.5	177.5	3.0	3.51
SR-06-122	**168**		90.5	114.3	23.8	1.89
		incl.	93.2	98.1	4.9	2.77
			125.6	132.6	7.0	1.43
			137.4	140.4	3.0	2.10
SR-06-123	**218**		88.5	102.6	14.1	12.69
		incl.	93.0	98.8	5.8	23.97
SR-06-124	**168**		106.4	112.1	5.7	3.19
			115.2	135.0	19.8	1.68
			142.2	160.8	18.6	2.35
			165.7	172.1	6.4	3.03
			187.7	189.4	1.7	3.47
SR-06-125	**156**		224.5	279.7	55.2	2.61
		incl.	235.5	238.8	3.3	11.17
		incl.	242.5	243.5	1.0	11.53
SR-06-127	**218**		60.1	86.8	26.7	8.35
			60.1	80.0	19.9	10.76

Notes

Significant mineralized intervals are greater than 1.28 g/t Au

Individual assays are top cut to 30 g/t Au prior to composite calculation

True widths for mineralized zones are about 70% to 95% of stated down hole intervals

A complete listing of exploration drill results and supporting maps referred to in this news release for the Kumtor Pit and Sarytor have been filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") and are available at the company's website at:

www.centerragold.com/properties/exploration/exploration_update_october_2006

The Kumtor deposit is described in Centerra's Annual Information Form (the "AIF") for the year ended December 31, 2005 and in a technical report dated March 9, 2006 prepared in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") of the Canadian Securities Administrators. 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 and satellite deposits are the same as, or similar to, those described in the technical report.

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

United States (Nevada)

Drilling continued on the REN project through the third quarter of 2006. Four RC pre-collars, six core tails and wedge core holes, and one RC-only hole were completed for a total of 3,248 metres of drilling. The REN project is a joint venture between Centerra (62%) and Barrick Gold Corporation (38%).

Three wedge holes were completed from RU-105C to follow up on the high grade intercept of 18.54 g/t over 19.8 metres, obtained in this hole in the second quarter. RU-105-W1 approximately 50 metres to the ENE of 105C has a moderate grade intercept of 4.28 g/t over 4.6 metres. RU-105-W2 approximately 50 metres to the WSW of 105C has only a low-grade intercept of 1.1 g/t over 20.0 metres. RU-105-W3 located approximately 40 to 50 metres north of 105C has a narrow high-grade intercept of 14.42 g/t over 3.0 metres and an upper, moderate grade intercept of 5.6 g/t over 3.0 metres. These two holes extend the 95C-105C zone of mineralization to the north and east of 105C; the zone is open in these directions as well as to the south, with the best potential being north and south along the trend of the Corona dike, the main controlling structure. Two additional wedge holes are planned and will offset the zone further to the north and south, respectively.

One additional drill hole is also planned in the fourth quarter of 2006 to follow up on the intercepts of 21.67 g/t over 4.6 metres and 10.24 g/t over 12.0 metres, reported in the second quarter of 2006, in drill hole RU-100C, which is located to the north of the JB zone. The drill hole will test for a potential, steeply dipping, high grade feeder zone, which is suggested by the geology in nearby drill holes.

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REN Drilling Highlights – July 1st to September 30th 2006

Drill Hole*	Location	Target	From (m)	To (m)	Width (m)	Gold (g/t)
RU-102C	Central REN	Corona dike				No significant values
RU-105-W1	Central REN	Corona dike	876.3	880.9	4.6	4.28
RU-105-W2	Central REN	Corona dike	874.5	894.4	20.0	1.10
RU-105-W3	Central REN	Corona dike	857.4	860.5	7.7	5.6
			898.2	901.3	3.0	14.42
RU-108C	South REN	East fault				Assays pending
RU-109C	South REN	Corona dike				Assays pending
RU-110	South REN	Corona dike				No significant values

* "C" indicates core tail; no "C" indicates RC-only hole.
No assay values exceed the 70 g/t top cut used in resource estimations at REN.
True widths for the mineralized zones are typically from 75% to 95% of the stated intercepts.

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

Qualified Person
The new drilling results for Kumtor, Sarytor and REN in this news release and on Centerra's website, 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.

About Centerra
Centerra is a growth-oriented, gold company focused on acquiring, exploring, developing and operating gold properties primarily in Central Asia, the former Soviet Union and other emerging markets. Centerra is a leading North American gold producer and the largest Western-based gold producer in Central Asia and the former Soviet Union. Centerra's shares trade on The Toronto Stock Exchange under the symbol CG. The company is based in Toronto, Canada.

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