



NEWS RELEASE

Centerra Gold Issues Update on Exploration and Operations

Toronto, Canada, December 5, 2005: Centerra Gold Inc. (TSX: CG) today issued the following update on its operations and Kumtor exploration program:

Exploration Results from the Kumtor Mine

During October and November, the Company completed 10 holes totaling 4,158 metres in the vicinity of the Kumtor pit and received additional assay results for two previously-drilled holes. The results of the program are excellent, with the highlights as follows:

With the exception of one hole, all of the drill holes intersected thick mineralized intervals at the target horizon and confirmed the good continuity of the mineralization. The new drill holes returned down hole intercepts from 14 metres to 67 metres thick and average grades typically in the range of 2.6 grams per tonne ("g/t") gold to 11 g/t gold.

Eleven of the drill holes tested for strike and dip extensions to the SB Zone at the south end of the pit. Five holes were drilled to in-fill between, or test beneath, existing widely-spaced holes. The remaining six holes were drilled along two fences spaced at 40 metre and 80 metre step outs along strike to the south. These latter two fences extended the drill pattern to the south in a portion of the SB Zone not previously tested by drilling. Along these two fences, the mineralized horizon was tested over 70 metre and 260 metre intervals in the down dip direction. The SB Zone has now been delineated over a 280 metre strike length and remains open along strike to the south and in the down dip direction.

At the north portion of the pit end, one hole was completed to infill between existing wide-spaced holes at the northern end of the NB Zone. This hole returned an exceptional intercept averaging 5.1 g/t gold over a 40.1 metre interval and confirmed the thick mineralized zone encountered by the other holes.

Kumtor Pit – Drilling Highlights for October and November, 2005

Location	Hole #	From (metres)	To (metres)	Length (metres)	Grade (g/t gold)
NB Zone	D1018A	313.8	323.2	9.4	1.69
		327.6	367.7	40.1	5.13
	including	345.4	359.0	13.6	9.83
		482.4	507.0	24.6	2.49
	including	499.5	506.2	6.7	4.70
SB Zone	D1021	245.1	312.6	67.5	7.88
		including	257.0	267.3	10.3
	including	273.2	279.8	6.6	25.84
	including	285.8	289.8	4.0	14.27
SB Zone	D1022	129.0	131.0	2.0	26.55
			153.3	169.2	15.9
	including	154.3	164.2	9.9	34.47
		257.9	260.9	3.0	5.05
		291.0	298.9	7.9	2.64
SB Zone	D1026	233.1	245.7	12.6	1.56
			250.7	274.0	23.3
	including	265.9	272.0	6.1	5.66
		299.0	302.0	3.0	2.11

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

A complete listing of all the exploration drill results referred to in this release was filed on December 5, 2005 and is available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

The drilling program is ongoing with five drills currently active in the vicinity of the SB Zone. Resource modeling, and geotechnical and engineering studies are in progress in preparation for an updated reserve estimate in early 2006.

Where applicable, drilling results discussed and referred to in this release have been compiled using similar criteria to those used in estimating the Company’s resources for Kumtor. Pertinent criteria are provided with the table of drilling results and a drill hole location map filed on SEDAR at www.sedar.com.

A National Instrument 43-101 compliant Technical Report on the Kumtor mine was filed on May 14, 2004 and is available on SEDAR at www.sedar.com. The report describes the exploration history, geology and style of gold mineralization at the Kumtor deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during

the drilling program at the Kumtor site are the same as, or similar to, those described in the Technical Report.

Production and Cash Cost Forecast

The Company is forecasting gold production of 163,000 ounces at a cash cost of \$277 per ounce in the fourth quarter. This compares to the most recent outlook of 177,000 ounces at a cash cost of \$258 per ounce. The revisions are attributed to lower than anticipated ore grades and recoveries at the Kumtor operation in the Kyrgyz Republic. As a consequence of the lower forecast production, the cash costs for the fourth quarter at Kumtor are expected to increase to approximately \$346 per ounce.

The fourth quarter outlook for Centerra's Boroo operation in Mongolia remains unchanged.

For the full year, Centerra's total gold production is forecasted at 784,000 ounces compared to 798,000 ounces in the most recent outlook.

Centerra will be releasing its fourth quarter and full year 2005 results on Tuesday, January 31st 2006.

Qualified Person

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

About Centerra

Centerra is a growth-oriented, pure-play gold company focused on acquiring, exploring, developing and operating gold properties primarily in Central Asia, the former Soviet Union and other emerging markets. The two gold mines operated by the Company are expected to produce 784,000 ounces in 2005 at a total cash cost of about \$236 per ounce. This ranks Centerra as a leading North American gold producer and the largest Western-based gold producer in Central Asia and the former Soviet Union. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Canada.

Statements contained in this news release which are not historical facts are forward-looking statements that involve risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things: volatility and sensitivity to market prices for gold; replacement of reserves; equipment failure; unexpected geological or hydrological conditions; political risks arising from operating in certain developing countries; imprecision in reserve estimates; success of future exploration and development initiatives; competition; operating performance of the facilities; environmental and safety risks including increased regulatory burdens; seismic activity, weather and other natural phenomena; failure to obtain necessary permits and approvals from government authorities; changes in government regulations and policies; including trade laws and policies; ability to maintain and further improve positive labour relations; and other development and operating risks.

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.

For more information:

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

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

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