

centerra**GOLD**



## NEWS RELEASE

### Centerra Gold Kumtor Exploration and Operation Update

(All figures are in United States dollars)

**TORONTO, CANADA – June 12, 2009** – Centerra Gold Inc. (TSX: CG) announced today that exploration drilling undertaken in April and May at the Kumtor Project in the Kyrgyz Republic continues to return good results from the southwest extension of the SB Zone and the Stockwork Zone.

At Kumtor, six holes were completed in April-May and one hole is in progress to test the Southwest extension of the SB Zone in the Central Pit. All six holes intersected significant widths of ore-grade mineralization and have extended the SB Zone a further 270 metres to the southwest of previous exploration drilling. This drilling in the SB Zone represents the Company's first major effort in nearly three years to complete additional drilling of the SB Zone. The previous drilling defines the limits of the current resource model used for reserve estimation. These new holes will extend the resource model and three of the new intercepts lie within the current planned pit design and so will add to current reserves.

Some of the better intercepts obtained include:

Hole D1325: 4.5 g/t Au over 15.4 metres  
2.9 g/t Au over 18.1 metres

Hole D1327: 3.9 g/t Au over 6.0 metres  
6.8 g/t Au over 25.0 metres, including 11.4 g/t Au over 12.3 metres  
9.6 g/t Au over 3.4 metres

Hole D1331: 6.1 g/t Au over 28.0 metres

Hole D1333: 3.1 g/t Au over 47.0 metres, including 13.6 g/t Au over 3.0 metres

Hole D1336: 4.4 g/t Au over 34.8 metres, including 14.3 g/t Au over 3.2 metres

Hole D1337: 2.9 g/t Au over 21.3 metres

Hole D1340: 6.4 g/t Au over 38.4 metres, including 10.2 g/t Au over 5.7 metres and 22.9 g/t Au over 3.8 metres  
27.4 g/t Au over 2.6 metres

With the new Kumtor agreement in place, the Company has started to drill off the underground decline to test for strike extensions of the Kumtor mineralization beneath the Davidov glacier as the decline progresses towards the underground high-grade SB Zone.

Results of the drilling undertaken in April and May in the Stockwork Zone continue to confirm the excellent potential for a high-grade underground deposit. A further three holes were completed and two holes are in progress to test the strike and down dip extensions of high-grade mineralization. Some of the better intercepts are 5.6 g/t Au over 16.1 metres, including 7.9 g/t Au over 10.1 metres in hole D1323A, 6.9 g/t Au over 14.3 metres, including 26.8 g/t Au over 2.8 metres in hole D1332.

These results along with those from previous drilling from the Stockwork Zone have outlined a high-grade mineralized zone over a strike length of more than 400 metres and down dip for up to 300 metres from the bottom of the planned KS9 pit design. The results are confirming the excellent potential for a high-grade underground deposit that is open both along strike to the northeast and down plunge to the northeast and southwest. The focus in the third quarter of 2009 will be on 80 metre step-out drilling to define further strike and down dip extensions of the high-grade mineralization.

One drill hole was completed in April-May in the Saddle Zone area of the Central Pit, between the SB and Stockwork Zones. The hole intersected mineralisation over a 200 metre interval, including 4.8 g/t Au over 11.1 metres, including 7.8 g/t Au over 5.7 metres and 3.2 g/t Au over 18.6 metres, including 8.2 g/t Au over 3.6 metres in hole D1324.

This wide intersection of lower grade mineralisation and narrower zones of high-grade mineralisation continue to be encouraging. The focus for the remainder of the second quarter and in the third quarter of 2009 will be on continued 80 to 160 metre spaced step-out drilling to test for high-grade mineralisation within the broad mineralised package.

Two drill holes were completed in April- May in the Northeast Extension area of the Central Pit. Hole D1301A intersected significant mineralization 9.1 g/t Au over 11.0 metres, including 10.8 g/t Au over 8.5 metres at the 3,600 metre elevation.

The intersections in D1301A together with the intersection in hole D1165 drilled in 2007, which returned an intercept of 12.7 g/t Au over 7.9 metres are considered encouraging and indicate that there is potential for another mineralized zone at depth below 3,600 metre elevation in the Northeast Extension Zone. Follow up drilling is planned in the third quarter 2009, dependent upon the availability of a suitable drill location.

### **Regional Exploration**

With the closing of the Kumtor transactions on June 11, 2009, Kumtor has the right to continue exploration throughout its expanded concession. Access roads are being prepared to the Northeast, Sarytor, and Petrov prospect areas. Drilling is in progress on the Northeast prospect and additional surface work and drilling are scheduled to commence by the end of June 2009 at the Sarytor and Petrov prospects..

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

A complete listing of the drill results and supporting maps for the Kumtor pit 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](http://www.centerragold.com)

## Operations Update

### Kumtor

At the Kumtor mine, second quarter gold production is estimated to be in the range of 80,000 to 85,000 ounces. During the second quarter, mining of the waste/ice dump material continued ahead of the planned schedule as a result of the acceleration of portions of the southeast waste/ice dump. While the production estimate is slightly below expectations due to the later release of higher grade ores from the SB Zone, the higher grade ore is now expected to be in production for the balance of the year. Kumtor gold production for the third and fourth quarters remains on plan and full year gold production guidance remains unchanged.

#### Quarter by Quarter Estimate – 2009 Kumtor Gold Production

Q1 (Actual)	63,021	1.92 g/t
Q2 (Est.)	80,000 – 85,000	2.54 g/t
Q3 (Est.)	165,000 – 185,000	4.62 g/t
Q4 (Est.)	245,000 – 265,000	6.25 g/t
Total	560,000 – 600,000*	

\* Total may not add due to rounding.

Production forecasts for 2009 are forward-looking information and are based on key assumptions and are subject to material risk factors that could cause actual results to differ materially. These assumptions and risk factors are described under "[Outlook for 2009 – Major Assumptions and Sensitivities](#)" in the Management's Discussion and Analysis for the period ended March 31, 2009 and in the most recently filed Annual Information Form, Annual Report and Annual Management's Discussion and Analysis and are discussed under the heading "Cautionary Note Regarding Forward-looking Information".

### Qualified Person

The new drilling results for Kumtor in this news release and on Centerra's website and the other scientific and technical information 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 most recently filed Annual Information Form (the "AIF") and in a technical report dated March 28, 2008 prepared in accordance with NI 43-101. The AIF and technical report have been filed on SEDAR at [www.sedar.com](http://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 described in the technical report.

### **Cautionary Note Regarding Forward-looking Information**

Statements contained in this news release contain statements which are not current statements or historical facts and are "forward-looking information" within the meaning of applicable Canadian securities laws. All statements, other than statements of historical fact, contained or incorporated by reference in this news release constitute forward-looking information. Wherever possible, words such as "plans", "expects" or "does not expect", "budget", "forecasts", "projections", "anticipate" or "does not anticipate", "believe", "intent", "potential", "strategy", "schedule", "estimates" and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved and other similar expressions have been used to identify forward-looking information. These forward-looking statements relate to, among other things Centerra's expectations regarding, future growth, results of operations (including, without limitation, future production and sales, and operating and capital expenditures), performance (both operational and financial), business and political environment and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities.

Although the forward-looking information in this news release reflects Centerra's current beliefs on the date of this news release based upon information currently available to management and based upon what management believes to be reasonable assumptions, Centerra cannot be certain that actual results, performance, achievements, prospects and opportunities, either expressed or implied, will be consistent with such forward-looking information. By its very nature, forward-looking information necessarily involves significant known and unknown risks, assumptions, uncertainties and contingencies that may cause Centerra's actual results, assumptions, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking information. These risks and uncertainties include, among other things, risks relating gold prices, replacement of reserves, reduction in reserves related to geotechnical risks, ground movements, political risk, nationalization risk, changes in laws and regulations, civil unrest, labour unrest, legal compliance costs, reserve and resource estimates, production estimates, exploration and development activities, competition, operational risks, environmental, health and safety risks, costs associated with reclamation and decommissioning, defects in title, seismic activity, cost and availability of labour, material and supplies, increases in production and capital costs, permitting and construction to raise the tailings dam height and increase the capacity of the existing Kumtor tailing dam, illegal mining, enforcement of legal rights, decommissioning and reclamation cost estimates, future financing and personnel. There may be other factors that cause results, assumptions, performance, achievements, prospects or opportunities in future periods not to be as anticipated, estimated or intended. For further discussion of the factors that could cause actual results to differ materially, please refer to "Risk Factors" in Centerra's 2008 Annual Management's Discussion and Analysis and to Centerra's 2008 Annual Information Form including the section

titled “Risk Factors”, available on SEDAR at [www.sedar.com](http://www.sedar.com). For information on forward-looking information see “Caution Regarding Forward-Looking Information”.

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. Centerra can give no assurance 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.

There can be no assurances that forward-looking information and statements will prove to be accurate, as many factors and future events, both known and unknown could cause actual results, performance or achievements to vary or differ materially, from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements contained in this news release. Accordingly, all such factors should be considered carefully when making decisions with respect to Centerra, and prospective investors should not place undue reliance on forward-looking information. Forward-looking information is as of June 11, 2009. Centerra assumes no obligation to update or revise forward-looking information to reflect changes in assumptions, changes in circumstances or any other events affecting such forward-looking information, except as required by applicable law.

### **About Centerra**

Centerra is a gold mining company focused on acquiring, exploring, developing and operating gold properties primarily in Asia, the former Soviet Union and other emerging markets worldwide. 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.

**Additional information on Centerra is available on the Company's web site at [www.centerragold.com](http://www.centerragold.com) and at SEDAR at [www.sedar.com](http://www.sedar.com).**

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