

centerra**GOLD**



## **NEWS RELEASE**

(All figures are in United States dollars)

### **Centerra Gold Announces Pit Wall Ground Movement at Kumtor Mine**

**TORONTO, CANADA – July 18, 2006** – Centerra Gold Inc. (TSX: CG) reports today that pit wall ground movement has occurred at its Kumtor mine site in the Kyrgyz Republic, Central Asia. Preliminary engineering analysis since the event indicates that 2006 production at Kumtor is now anticipated to be about 300,000 ounces at a cash cost of about \$530 per ounce compared to Centerra's previous projection of 410,000 – 420,000 ounces of poured gold in 2006 at a cash cost of \$370 - \$380 per ounce.

Further assessment of the impact on Kumtor's gold production for 2007 is underway. Centerra is pursuing opportunities to accelerate mine equipment deliveries to improve 2007 production and expects to provide additional information shortly.

The incident occurred late on Thursday, July 13 and involved a significant portion of the northeast wall. Kumtor's extensive slope monitoring system was effective, enabling safe advance evacuation of the mining area. The movement occurred above the higher-grade stockwork area which was planned to be mined beginning late this year and continuing into 2007. While the stockwork area was not covered, safety concerns identified in our engineering analysis undertaken after the event will require a new mining sequence, which will defer production from this planned area.

Normal operations continue in the south end of the pit and milling of low grade stock piles continue. Gold reserves are not expected to be affected as a result of the rock slide as the wall movement lies entirely within the ultimate pit design.

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 (TSX) under the symbol CG. The Company is based in Toronto, Canada.

*Statements contained in this news release, including outlook statements, 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; procurement of required capital equipment; 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 tax and 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.*

**Additional information**

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

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