



NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold Reports Encouraging Exploration Results from Kumtor SB Zone, Sarytor and REN and Increases 2006 Exploration Budget by 20%

Toronto, Canada, July 26, 2006: Centerra Gold Inc. (TSX: CG) today issued updates on:

- Exploration results at the Kumtor Mine - continuing to expand the SB Zone.
- Drilling at the REN Project- two significant new drill intercepts.
- Gatsuurt – new drill targets being developed.
- Exploration budget increased by \$4 million to \$25 million for 2006.

Kumtor Drilling Update

SB Zone

A further five drill holes were completed during the second quarter of 2006 to test targets in the south end of the Kumtor pit. Four holes were drilled to test the dip and strike extensions of the SB Zone. All of the holes intersected significant mineralization with holes returning intercepts from 5.95 to 30.97 g/t Au over down hole core lengths ranging from 20.8 to 35.9 metres. The best intersections averaged 30.97 g/t Au over 22.7 metres (cut to 60 g/t Au), 5.95 g/t Au over 35.9 metres, 6.84 g/t Au over 20.8 metres and 6.32 g/t Au over 30.4 metres. True widths for the mineralized zones are typically from 70% to 95% of the stated intercepts. The recent drilling has extended the SB Zone a further 40 metres along the strike to the south. 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 and remains open along strike to the south and in the down dip direction.

The fifth hole completed in the southern portion of the pit was designed to test for up dip extensions of the South and North zones at shallow elevations. The best result averaged 1.48 g/t Au over 10.0 metres.

One hole was drilled in the north end of the pit to test for the extension of the mineralization along strike to the north of the Kumtor pit but abandoned before the target zone was intersected. It is currently being redrilled. The hole is designed to test between section 198, the last continuous zone of mineralization within the pit area, and the drill hole completed in the first quarter that intersected mineralization at the 3,740 metre elevation and returned an intercept of 3.27 g/t Au over 13.6 metres. This intercept extended the known gold mineralization 440 metres northward along strike from the prior most northerly drill hole in the Kumtor structure. Additional drilling is scheduled for the third quarter to test the Kumtor structure between the previous drilling and the intersection referred to above with widely spaced holes. A series of drill holes are also planned to

test the northerly strike extension of the Kumtor mineralized structure a further 440 metres to the north of the new intercept which was drilled in the first quarter.

Kumtor Pit Drilling Highlights – April 26 to June 30 2006

Drill Hole	Location	Zone	From (m)	To (m)	Core Length (m)	Au (g/t)	
D1093C*	South End Down Dip Extension	SB zone		401.4	424.1	22.7	30.97
			incl.	409.0	424.1	15.1	44.57
D1096	South End Up Dip Extension	SB zone	189.5	194.5	5.0 Hole lost in mineralization	6.22	
D1096A	South End Up Dip Extension	SB zone	186.8	190.4	3.6	2.60	
		SB zone	194.7	201.8	7.1	4.77	
		SB zone	204.9	211.0	6.1 Hole lost in mineralization	10.07	
D1096B	South End Up Dip Extension	SB zone		184.7	220.6	35.9	5.95
			incl.	185.5	195.3	9.8	10.89
		incl.	202.3	206.2	3.9	11.15	
		SB zone	224.2	228.1	3.9	1.73	
		SB zone	238.3	238.8	0.5	8.50	
			328.0	331.2	3.2	1.55	
			339.2	356.1	16.9	2.55	
		incl.	466.8	482.1	15.3	3.90	
			475.3	481.1	5.8	8.28	
D1098	South End	North & South Zones		39.0	43.0	4.0	1.75
				129.0	139.0	10.0	1.48
D1105	South End Up Dip Extension	SB zone	145.7	147.7	2.0 Hole lost in mineralization	2.98	
D1105A	South End Up Dip Extension	SB zone	133.0	161.5	28.5 Hole lost in mineralization	6.14	
D1105B*	South End Up Dip Extension	SB zone	142.4	172.8	30.4	6.32	
		SB zone	189.8	191.8	2.0	2.97	
D1111	South End Strike Extension	SB zone		158.6	179.4	20.8	6.84
			incl.	160.6	164.6	4.0	19.22
		SB zone	197.6	199.6	2.0	6.14	
		SB zone	215.9	219.6	3.7 Hole lost in mineralization	1.99	

Notes

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

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

* Without check assay

Sarytor

In the second 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 in-fill drilling program continued. Twenty one drill holes totaling 4,269 metres were completed. The objectives of the program are to systematically in-fill between the existing 80 metre spaced drill sections to develop a drill spacing to enable conversion of the resource to reserves and to determine the limits of the mineralized horizons.

The in-fill drill holes are confirming the continuity of the mineralization between the drill sections with results ranging from 1.29 to 11.50 g/t Au over widths from 0.8 to 14.5 metres. As shown in the table below, the best intersections averaged 11.5 g/t Au over 14.5 metres (cut to 30 g/t Au), 8.47 g/t Au over 13.9 metres, 7.36 g/t Au over 10.0 metres and 3.94 g/t Au over 11.9 metres. True widths for the mineralized zones are typically from 70% to 95% of the stated intercepts. The in-fill drilling has confirmed the mineralization between 80 metre wide sections and also extended mineralization down dip on some sections. The results indicate that the mineralization, although continuous, is variable in thickness and grade along strike and down dip.

Based on the positive drill results from the SB Zone, Sarytor and the Northeast extension, our exploration plan will be accelerated. The Company will increase the exploration budget by \$4 million or 20% to a total of \$25 million in 2006. These additional expenditures may assist in mitigating the impact of the July pit wall movement.

Sarytor Drilling Highlights – April to June 2006

Drill Hole	Drill Section	From (m)	To (m)	Core Length (m)	Au (g/t)
SR-06-73A	208	96.6	105.0	8.4	5.73
SR-06-74	192	8.6 45.3	11.6 58.5	3.0 13.2	2.48 2.28
SR-06-75	224	77.3 106.8 123.3	81.4 110.8 129.4	4.1 4.0 6.1	8.18 1.69 2.04
SR-06-76	200	113.0 120.0	114.7 124.0	1.7 4.0	2.85 1.28
SR-06-76D	200	91.5 123.9 200.2	96.8 128.0 203.6	5.3 4.1 3.4	4.61 2.18 1.82
SR-06-77	184	38.7 49.6 77.6 106.1	45.5 56.6 88.6 109.3	6.8 7.0 11.0 3.2	2.88 1.33 1.29 8.03
SR-06-78	224	81.4	92.6	11.2	2.96
SR-06-79	224	12.0 34.7 41.4	18.9 37.4 42.4	6.9 2.7 1.0	2.67 1.88 6.77

SR-06-80	216		114.6	126.5	11.9	3.94
SR-06-81	208		47.4	52.0	4.6	5.70
SR-06-82	216		95.8	98.3	2.5	2.48
SR-06-83	216		117.2	131.1	13.9	8.47
SR-06-84	200		89.1	97.8	8.7	1.97
			102.8	106.7	3.9	2.56
			116.4	117.2	0.8	5.96
			208.6	210.5	1.9	2.59
SR-06-87A	208		183.1	197.6	14.5	11.50
		incl.	188.2	193.4	5.2	27.61
SR-06-88	184		10.5	19.0	8.5	1.74
			23.0	37.3	14.3	2.95
SR-06-91	224		114.0	114.6	0.6	6.34
SR-06-92*	192		113.8	119.5	5.7	2.02
			159.6	161.6	2.0	4.39
SR-06-95*	208		78.0	84.0	6.0	1.28
			91.0	95.4	4.4	1.84
			175.6	185.6	10.0	7.36
			193.2	195.8	2.6	1.98
			201.8	204.6	2.8	1.75
SR-06-96*	184		79.1	82.1	3.0	3.16
			91.8	94.8	3.0	2.76
			101.5	108.8	7.3	1.55
			139.6	146.9	7.3	2.61

Notes

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 interval

* Without check assay

A complete listing of exploration drill results and supporting maps referred to in this release for the Kumtor Pit and Sarytor have been filed on SEDAR and are available at the company's website at: www.centerragold.com/properties/exploration_update_july_06

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 the System for Electronic Document Analysis and Retrieval ("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 began on the REN project in April and six holes have been completed. The REN project is a joint venture between Centerra (62%) and Barrick Gold Corporation (38%).

Two holes have returned significant results. One hole, RU-100C, drilled to in-fill a 150-metre gap between previous holes in the JB zone, returned assays of 21.7g/t Au over 4.6 metres and 10.2g/t Au over 12 metres. The intercepts are located 75 to 105 metres northeast of good grade intercepts of 24.5 g/t Au over 3.0 metres, 9.5g/t Au over 3.0 metres, 7.8g/t Au over 7.6 metres, and 7.8 g/t Au over 4.6 metres in RU-50C, and 90 metres from an intercept of 8.3g/t Au over 10.7 metres in RU-38C to the east. Additional drilling will be required to confirm continuity of the mineralization, which has the potential to expand the JB zone to the north.

The second hole, which returned significant results, RU-105C, was drilled to offset a 2005 intercept of 8.13 g/t Au over 3 metres along the Corona dike near its projected intersection with the MBX fault on the west central side of the REN property. The hole returned a high grade intercept of 18.5g/t Au over 19.8 metres from a strongly altered zone of multiple lamprophyre dikes within decarbonated Rodeo Creek and Popovich Formation lithologies. A wedged hole is in progress to provide a 60 metre offset of the intercept. True widths for the mineralized zones are typically from 75% to 95% of the stated intercepts.

Four holes have been completed south of the REN pit on the "BR-03C" target, along vertical components of the REN fault zone, identified in the early 2006 re-logging and re-sampling program. All holes have intercepted abundant faulting, brecciation and alteration with the best intercept returning assays of 6.8g/t Au over 3 metres.

REN Drilling Highlights – April to June 2006

Drill Hole	Location	Zone/Target	From (m)	To (m)	Core Length (m)	Au (g/t)
RU-100C	Central REN	JB Zone gap	856.2	859.2	3.0	6.63
			877.5	882.1	4.6	21.67
			948.9	960.9	12.0	10.24
RU-103	South REN	BR-03C Target	189.0	192.0	3.0	3.27
RU-104	South REN	BR-03C Target	429.8	432.8	3.0	5.54
RU-105C	Central REN	W of 24 Zone	848.9	868.7	19.8	18.54
RU-106	South REN	BR-03C Target			No Significant Assay Values	
RU-107	South REN	BR-03C Target	477.0	480.0	3.0	6.82

None of the assay values exceeded the 70 g/t Au top cut used in resource calculations at REN. True widths for the mineralized zones are typically from 75% to 95% of the stated intercepts. Drill Holes RU-101, 102, 108 and 109 are pre-collared, but have not yet been cored.

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.

Mongolia

At Gatsuurt, work is also continuing to develop additional near surface targets in the immediate Gatsuurt area. Gravity, magnetic, soil geochemical and IP surveys were completed around Gatsuurt and the adjacent Balj target, which is located 4.5 kilometres to the southeast of Gatsuurt. Trenching of geophysical/geochemical anomalies at Balj has exposed gold bearing alteration along a N20E fault zone over a strike length of 400 metres which has returned assays up to 91g/t Au over 2.2 metres, 35g/t Au over 2 metres and 16g/t Au over 2.2 metres from steeply dripping quartz veins. Drill plans are being developed for this and other targets in the Gatsuurt area.

The Gatsuurt deposit is described in the AIF and in a technical report dated May 9, 2006 prepared in accordance with NI 43-101. The AIF and technical report have been filed on SEDAR at www.sedar.com.

Qualified Person

The new drilling results for Kumtor, REN and Gatsuurt 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 Robert S. Chapman, P. Geo., Centerra's Director, Merger & Acquisitions, who is the qualified person for the purpose of NI 43-101, and is the person responsible for the technical information and related exploratory results in this news release and on Centerra's website.

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.

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