

centerra**GOLD**



## **NEWS RELEASE**

### **Centerra Gold Reports on Status of Kumtor Agreements**

**TORONTO, CANADA – June 2, 2008** – Centerra Gold Inc. reported today that the previously announced framework agreements, entered into between Centerra and Cameco and the Kyrgyz government on August 30, 2007, have not been ratified by the Kyrgyz Parliament within the timeframe agreed by the parties and have therefore expired.

In the circumstances, in order to resolve outstanding issues regarding the project, including the recent Supreme Court action described below, Centerra will resume the international arbitration previously initiated by the Company in accordance with its Investment Agreement, which provides that all disputes with respect to the project are subject to international arbitration.

The Company also wishes to update its previous disclosure regarding court proceedings in the Kyrgyz Republic initiated by the vice-speaker of the parliament against the government. Gold production continues at Kumtor and has not been affected by the proceedings. The Company received no notice of and is not party to the proceedings. The Supreme Court of the Kyrgyz Republic, pending resolution of claims currently before the lower courts, has issued an order to the government suspending: the government's 2003 decree approving the restructuring of the Kumtor project; the Concession Agreement providing for Kumtor's right to explore and develop the main Kumtor deposit within the Kumtor concession; the exploration license covering all of the Kumtor deposits; the mining license covering the Southwest area; and the mining license covering the Sarytor area. Acting on the Supreme Court order, the State Agency on Geology and Mineral Resources Management has notified Kumtor that as issues relating to the 2003 decree and the Concession Agreement are regulated by "international legislation", operations within the concession area as well as work on the underground decline (to further develop the SB zone) should be continued but that operations on the exploration, Southwest and Sarytor licenses should be stopped. In response to the notice, activity on the Sarytor license and Southwest license, consisting of exploration drilling by two rigs, was halted. All Kumtor mining operations are taking place in the concession area and continue uninterrupted. The lower court proceedings have been postponed on several occasions and the claim has not yet been heard.

#### **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 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 under the symbol CG. The Company is based in Toronto, Canada.

**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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