



NEWS RELEASE

(All figures are in United States dollars)

Centerra Gold and Mongolian Government enter into an amended Boroo Stability Agreement

Toronto, Canada, August 3, 2007: Centerra Gold Inc. (TSX: CG) announced today that after lengthy negotiations the Company and the Government of Mongolia have entered into an amended Boroo Stability Agreement which reaffirms the Company's rights to exploit the Boroo gold deposit under a stable tax and operational regime in Mongolia.

Centerra and the Government of Mongolia agreed that effective January 1, 2007, the Boroo Project will be subject to the generally applicable 25% corporate income tax rate, which will apply until the termination of the Boroo Stability Agreement in July 2013. Under the previous agreement the Company was subject to income tax at the rate of 20% for the three-year period commencing March 1, 2007 and 40% thereafter. In addition, effective August 3, 2007, the mineral royalty payable will be 5% rather than the 2.5% previously applicable. This agreement with the Mongolian government reaffirms the applicability of the Boroo Stability Agreement.

The Company also received a separate letter from the Minister of Finance confirming the Government's willingness to conclude an Investment Agreement regarding the Gatsuurt Project and to advance the approval and registration of reserves with the applicable Mongolian authorities. The Ministry of Finance acknowledges that the Company has submitted in 2005 documentation related to the registration of reserves. The Company anticipates such registration may be completed this fall.

"We are very pleased that we have come to a mutually acceptable amended Boroo Stability Agreement. We expect that this development will pave the way to an expedient final resolution on the Gatsuurt Investment Agreement. An agreement on Gatsuurt will solidify our current position in Mongolia, provide for a stable operational environment, and allow us to review our exploration and growth strategy there." said Len Homeniuk, Centerra Gold's President and CEO.

Cautionary Note Regarding Forward-looking Statements

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; inability to enforce legal rights; defects in title; litigation or arbitration proceedings in which third parties claim title to properties or assets of the Company; 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 and tax laws and policies; ability to maintain and further improve positive labour relations; and other development and operating risks. For further discussion of the factors that could cause actual results to differ materially, please refer to Centerra's Annual Information Form and Annual Management's Discussion and Analysis for the year ended December 31, 2006, available on SEDAR at www.sedar.com.

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. 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 headquartered in Toronto, Canada.

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

For more information:

John W. Pearson
Director, Investor Relations
(416) 204-1241
john.pearson@centerragold.com