

centerra**GOLD**



NEWS RELEASE

Centerra Provides Update on Kumtor Environmental Claims

This news release contains forward-looking information that is subject to the risk factors and assumptions set out on under the heading, “Cautionary Note Regarding Forward-looking Information”. All dollar figures are in U.S. dollars.

Toronto, Canada, December 13, 2013: Centerra Gold Inc. (TSX: CG) reports that earlier this week the Bishkek City Court dismissed three appeals commenced by the State Inspectorate Office for Environmental and Technical Safety of the Kyrgyz Republic (“SIETS”) regarding previously disclosed environmental claims for (i) unpaid use of water from Petrov Lake; (ii) unaccounted industrial and household waste; and (iii) damages cause to land resources (top soil). The Bishkek City Court dismissed the appeals and upheld earlier court decisions which rejected the claims based on the existence of the international arbitration clause in the Restated Investment Agreement between the Government of the Kyrgyz Republic, Kyrgyzaltyn, Centerra, and Kumtor. These decisions of the court are consistent with an earlier ruling by the same court which dismissed another SIETS claim relating to the placement of waste rock on glaciers. As previously disclosed, these four claims by SIETS were for an aggregate amount of \$152 million. The decisions of the Bishkek City Court can be appealed by SIETS within a year of their respective decision dates.

As previously disclosed, Kumtor received a claim in February 2013 by the State Agency for Environmental Protection and Forestry under the Government of the Kyrgyz Republic (“SAEPF”) seeking approximately \$315 million for alleged environmental breaches. SAEPF has now commenced court proceedings in the Bishkek Inter-District Court in respect of this claim.

The Company also reports that Kumtor has received a new court claim filed by the Green Party of Kyrgyzstan in the Bishkek Inter-District Court which seeks damages of approximately \$9 billion for alleged environmental damages arising from the Kumtor operations since 1996. The Company believes that this claim is without merit and, in any event, is subject to the international arbitration provision of the Restated Investment Agreement. The claimant, Green Party, requests that the damages be paid by Kumtor to the Issyk-Kul Nature Protection and Forestry Development Fund, a Kyrgyz state fund. The claim by the Green Party relates to allegations substantially similar to the claims raised by SIETS and SAEPF.

Centerra believes that, consistent with the court rulings dealing with the SIETS claims, the claims commenced by SAEPF and the Green Party are subject to the dispute resolution provisions (international arbitration) of the Restated Investment Agreement. The Company also notes that it entered into a Release Agreement with the Kyrgyz Republic Government dated June 6, 2009, whereby the parties agreed to release each other from any claims in respect of any matter arising or

existing prior to June 6, 2009, whether such matters were known or unknown as of June 6, 2009, subject to certain exceptions which are not applicable in the circumstances. As previously noted, the Restated Investment Agreement, Release Agreement and the other project agreements governing the Kumtor Project were reviewed and approved by the Kyrgyz Republic Government and Parliament, and were the subject of a positive decision by the Kyrgyz Republic Constitutional Courts and a legal opinion of the Kyrgyz Republic Ministry of Justice. Centerra will defend against these court claims commenced by SAEFP and the Green Party, and believes that it has good arguments that the claims should to be dismissed on the basis of the arbitration provisions and/or the Release Agreement. Centerra will also be calling upon the Kyrgyz Republic Government to challenge the ability of the Kyrgyz Republic courts to hear these matters.

As previously disclosed, Centerra disputes the allegations made in the claim and consider the claims to be exaggerated and without merit. The Kumtor Project has been the subject of systemic audits and investigations over the years by Kyrgyz and international experts, including by an independent internationally recognized expert who carried out a due diligence review of Kumtor's performance on safety, health and environmental matters at the request of Centerra's Safety, Health and Environmental Committee of the Board of Directors. The report of this expert released in October 2012 can be found on the Kumtor website at <http://www.kumtor.kg/en> under the "Environmental" section.

While the Company believes these claims are exaggerated and without merit, and should be dismissed by the courts due to the international arbitration provision, there can be no assurances that it will be able to successfully resolve any of these matters, including any decision by SIETS to further appeal its four claims to the Kyrgyz Republic Supreme Court. The inability to successfully resolve these matters could have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial conditions.

Cautionary Note Regarding Forward-looking Information

Information contained in this news release which are not statements of historical facts, and the documents incorporated by reference herein, may be "forward looking information" for the purposes of Canadian securities laws. Such forward looking information involves 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 information. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking information.

These forward-looking statements relate to, among other things, the outcome of any court claims seeking damages for alleged environmental breaches at the Kumtor project, and our ability to have these claims dismissed.

Although the forward-looking information in this news release reflects Centerra's current beliefs as of the date of this news release based on 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. Forward-looking information is necessarily based upon a number of estimates and assumptions that, while considered reasonable by Centerra, are inherently

subject to significant political, business, economic and competitive uncertainties and contingencies. Known and unknown factors could cause actual results to differ materially from those projected in the forward-looking information. Factors that could cause actual results or events to differ materially from current expectations include, among other things, political and regulatory risks, including the political risks associated with the Company's principal operations in the Kyrgyz Republic, resource nationalism, the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the jurisdictions in which the Company operates, the impact of any actions taken by the Kyrgyz Republic Government and Parliament as a result of the Kyrgyz State Commission on Kumtor, any impact on the purported cancellation of Kumtor's land use rights at the Kumtor Project, the impact of changes to, or the increased enforcement of, environmental laws and regulations relating to the Company's operations; risks relating to the Company's ability to enforce its legal rights, risks associated with having a significant shareholder, and possible director conflicts of interest. 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. See "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2012 available on SEDAR at www.sedar.com.

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 herein or incorporated by reference. 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 December 13, 2013. 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 Gold Inc. is a gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union and other emerging markets worldwide. Centerra is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Ontario, Canada.

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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