

centerra**GOLD**



NEWS RELEASE

Centerra Gold – Mongolia Update

Toronto, Canada, September 19, 2012: Centerra Gold Inc. (TSX: CG) announced today that the Boroo mine, located in Mongolia, has received regulatory approval for its mine plan for the heap leach facility and therefore now has all required permits to resume heap leach operations. Boroo expects to resume the heap leach operation following re-commissioning and estimates that production from the heap leach will add approximately 2,000 ounces of gold per month starting in December.

Also, at the Altan Tsagaan Ovoo (ATO) project in Eastern Mongolia, the Mineral Reserve Authority of Mongolia (MRAM) has issued a mining license to Centerra Gold Mongolia for the ATO project area. Exploration drilling is continuing on the ATO property targeting extensions and feeders to the pipe-like bodies hosting the current ATO resource and possible strike extensions to the nearby Mungu prospect. Regional exploration on the larger land package, including other target areas will continue during 2012.

Ian Atkinson, President and CEO of Centerra Gold stated, “We are pleased that we have been able to move forward with these permits. Progress on these milestones underlines our continued confidence in the future of our Mongolian projects.”

About Centerra

Centerra 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 a leading North American-based gold producer and 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 headquartered in Toronto, Ontario, Canada.

Cautionary Note Regarding Forward-looking Information

Information contained in this news release which is not a statement of historical facts, 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 include, but are not limited to, Centerra’s expectations regarding future production from the heap leach pad, including the timing thereof; exploration plans for 2012 and the success thereof; Centerra’s statements regarding future growth, results of operations, future production and sales; mining plans at each of Centerra’s operations; Centerra’s business and political environment and business prospects; and the timing and development of new deposits.

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. Such factors include, among other things: the sensitivity of the Centerra’s business to the volatility of gold prices; the political risks associated with Centerra’s operations in Mongolia; the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government

practices in the jurisdictions in which Centerra operates; the effect of the Water and Forest Law on Centerra's operations in Mongolia; the success of Centerra's future exploration and development activities, including the financial and political risks inherent in carrying out exploration activities; competition for mineral acquisition opportunities, and such other factors as described under the heading "Risk Factors" in Centerra's annual information form for the year ended December 31, 2011 available 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 September 19, 2012. 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.

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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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