

centerra**GOLD**



NEWS RELEASE

Centerra Gold Inc. Files Updated Kumtor Technical Report

TORONTO, CANADA – March 22, 2011 – Centerra Gold Inc. (TSX: CG) announced that it has filed on SEDAR today an updated technical report for the Kumtor Mine, which is located in the Kyrgyz Republic. The updated technical report describes in detail Kumtor's new life-of-mine plan (LOM), which extends the open-pit mining and milling operations of the Kumtor Project to 2021. The LOM plan is based only on open-pit mineral reserves and has no provision for production from underground mining activities. The LOM plan, including mining tonnage, grade, recovery, and operating and capital cost estimates are described in detail in Centerra's February 7, 2011 news release.

Using a gold price of \$1,000 per ounce, the Kumtor open-pit LOM plan has been used to project the net cash flow for the open pit operations for the period of January 1, 2011 to 2021. Total gross revenue from the sale of gold and minor silver credits are estimated to be nearly \$5.0 billion while direct operating costs are estimated to be \$1.9 billion or \$385 per recovered ounce of gold produced. After further capital investments of \$405 million of sustaining and expansion capital, \$505 million pre-strip capital, and the payment of revenue-based taxes of \$699 million in accordance with the Agreement on New Terms, the resulting net cash flow for the Kumtor Project is estimated to be approximately \$1.5 billion dollars.

Capital expenditure of \$405 million includes \$244 million for sustaining capital, mostly related to the maintenance or replacement of current open-pit mining equipment, and \$161 million of expansion capital, mostly related to the purchase of additional mining equipment and expansion of the tailings management facility.

In 2011, costs related to the ongoing exploration are estimated to be \$12.4 million. The underground development and infill drilling project is estimated to be \$52 million for 2011. Neither of these are considered in the cash flow projection.

A gold price of close to \$654 per ounce is required to achieve neutral net cash flow under the current open-pit LOM while meeting all anticipated requirements for operations and capital expenditures, but excluding exploration and underground development expenditures.

The technical report is available on SEDAR at www.sedar.com and the Company's website at www.centerragold.com.

Qualified Persons

The scientific and technical information in this news release was prepared in accordance with the standards of the Canadian Institute of Mining, Metallurgy and Petroleum and National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) and was reviewed, verified and compiled by Dan Redmond, Centerra Gold Inc., Jack Seto, BGC Engineering Inc. and Henrik Thalenhorst, Strathcona Mineral Services Limited, who are the qualified persons for the purpose of NI 43-101 and who are the authors of the updated technical report. The updated 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 described in the updated technical report. A copy of the updated technical report can be obtained on SEDAR at www.sedar.com and the Company’s website at www.centerragold.com.

Cautionary Note Regarding Forward-looking Information

This news release and the documents referred to herein contain statements which are not statements of current or historical facts and are “forward-looking information” within the meaning of applicable 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. Wherever possible, words such as “believe”, “expect”, “anticipate”, “contemplate”, “target”, “plan”, “intends”, “continue”, “budget”, “forecast”, “projections”, “estimate”, “may”, “will”, “schedule”, “potential”, “strategy” and other similar expressions have been used to identify forward-looking information. These forward-looking statements relate to, among other things, Centerra’s expectations regarding future growth, results of operations (including, without limitation, future production and sales, and operating and capital expenditures), performance (both operational and financial), business and political environment and business prospects (including the timing and development of new deposits and the success of exploration activities) and opportunities.

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: the sensitivity of the Company's business to the volatility of gold prices; the political risks associated with the Company's operations in the Kyrgyz Republic; the impact of changes in, or more oppressive enforcement of, laws, regulations and government practices in the Kyrgyz Republic the impact of changes to, or the increased enforcement of, environmental laws and regulations relating to the Company's operations; the Company's ability to replace its reserves; ground movements at the Kumtor Mine; waste and ice movement at the Kumtor Mine; litigation; the accuracy of the Company's reserves and resources estimate; the accuracy of the Company's production and cost estimates; the success of the Company's future exploration and development activities; competition for mineral acquisition opportunities; the adequacy of the Company's insurance; environmental, health and safety risks; defects in title in connection with the Company's properties; the impact of restrictive covenants in the Company's revolving credit facility; seismic activity in the vicinity of the Company's operations in the Kyrgyz Republic; long lead times required for equipment and supplies given the remote location of the Company's properties; the Company's ability to enforce its legal rights; the Company's ability to accurately predict decommissioning and reclamation costs; the Company's ability to obtain future financing; the impact of current global financial conditions; the impact of currency fluctuations; the effect of recent market conditions on the Company's short-term investments; the Company's ability to attract and retain qualified personnel; the Company's ability to make payments including payments of principal and interest on the Company's debt facilities; risks associated with the conduct of joint ventures; risks associated with the Company's largest shareholder, the Kyrgyz government; 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 most recently filed AIF available on SEDAR at www.sedar.com.

Furthermore, market price fluctuations in gold, as well as increased capital or production costs or reduced recovery rates may render ore reserves containing lower grades of mineralization uneconomic and may ultimately result in a restatement of reserves. The extent to which resources may ultimately be reclassified as proven or probable reserves is dependent upon the demonstration of their profitable recovery. Economic and technological factors which may change over time always influence the evaluation of reserves or resources. Centerra has not adjusted mineral resource figures in consideration of these risks and, therefore, Centerra can give no assurances that any mineral resource estimate will ultimately be reclassified as proven and probable reserves.

Centerra's mineral reserve and mineral resource figures are estimates and Centerra can provide no assurances that the indicated levels of gold will be produced or that Centerra will receive the gold price assumed in determining its mineral reserves. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While Centerra believes that these

mineral reserve and mineral resource estimates are well established and the best estimates of Centerra's management, by their nature mineral reserve and mineral resource estimates are imprecise and depend, to a certain extent, upon analysis of drilling results and statistical inferences which may ultimately prove unreliable. If Centerra's reserve or reserve estimates for its properties are inaccurate or are reduced in the future, this could have an adverse impact on Centerra's future cash flows, earnings, results or operations and financial condition.

Centerra estimates the future mine life of its operations. Centerra can give no assurance that mine life estimates will be achieved. Failure to achieve these estimates could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

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 in this news release. 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 March 22, 2011. 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 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 based in Toronto, Canada.

Additional information

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

For further information, please contact:

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