

centerra**GOLD**



NEWS RELEASE

Centerra Provides Update on Memorandum of Understanding

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".

Toronto, Canada, October 23, 2013: Centerra Gold Inc. (TSX: CG) today reports it is aware of news reports in the Kyrgyz Republic that indicate the Kyrgyz Parliament has passed a decree indicating, among other things, that Parliament has rejected the non-binding memorandum of understanding signed between the Government of the Kyrgyz Republic, Kyrgyzaltyn JSC and Centerra on September 9, 2013. Reports indicate that Parliament has instructed the Government to continue negotiations with Centerra with a view to increasing the Kyrgyz Republic shareholding in a joint venture project to 67% and in the event of failure to reach a mutually acceptable solution, to initiate the denouncement of the current project agreements governing the Kumtor project. The Company understands that a new deadline of December 23, 2013 has been set by Parliament for the parties to conclude these discussions.

Centerra further understands that the Government of the Kyrgyz Republic continues to support the previously negotiated Memorandum of Understanding. Centerra expects to continue discussions with the Government with the objective of resolving matters through constructive dialogue however maintains that any agreement to resolve matters must be fair to all of Centerra's shareholders.

Discussions are on-going and any definitive agreement would be subject to compliance with all applicable legal and regulatory requirements and approvals, including any independent valuation and minority shareholder approval requirements. There can be no assurance that any transaction will be consummated or that the Company will be able to successfully resolve any of the matters currently affecting the Kumtor Project. Further updates and information will only be provided if and when appropriate.

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 success of further discussions with the Government of the Kyrgyz Republic on the Kumtor project agreements and a possible reorganization of the Kumtor project into a joint venture with the Kyrgyz Republic and the Kyrgyz Parliament and Government not taking any unilateral actions that are inconsistent with the Kyrgyz Republic's obligations under the Kumtor project agreements.

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 October 23, 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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