

centerra**GOLD**



NEWS RELEASE

Centerra Gold Reports on the Status of Negotiations with the Kyrgyz Republic Government on the Restructuring of the Kumtor Project

This news release contains forward-looking information that is subject to the risk factors and assumptions set out in our Cautionary Note Regarding Forward-looking Information below.

Toronto, Canada, December 22, 2015: Centerra Gold Inc. (TSX: CG) reports today that it has received notice from the Kyrgyz Republic Prime Minister, Mr. T.A. Sariyev, notifying Centerra of the government's intention to withdraw from further negotiations regarding the implementation of the non-binding heads of agreement dated January 18, 2014 (the "HOA"). The HOA contemplated a restructuring of the Kumtor project under which Kyrgyzaltyn JSC would receive a 50% interest in a joint venture company that would own the Kumtor project in exchange for its 32.7% interest in Centerra.

In his letter, Prime Minister Sariyev indicates the government's desire to begin new consultations with Centerra regarding the further efficient implementation of the Kumtor project. The Prime Minister also states that "the government of the Kyrgyz Republic is still deeply interested in ensuring uninterrupted operations of the Kumtor mine and achieving mutual agreements which would allow further efficient implementation of the Kumtor project in accordance with the best world practice, standards and requirements of the mining industry transparency initiative".

The Kumtor project is governed by an investment agreement and related agreements dated June 6, 2009 (collectively the "Kumtor Project Agreements") which provides for (among other things) a fixed tax and payments regime for the Kumtor project. The Kumtor Project Agreements were approved by all relevant Kyrgyz Republic government authorities in 2009, including the Kyrgyz Republic government and parliament, are the subject matter of a legal opinion issued by the Kyrgyz Republic Ministry of Justice and a positive decision by the Kyrgyz Republic Constitutional Court. Any discussion regarding the Kumtor project will take into account such legal obligations under the Kumtor Project Agreements. Any negotiations must result in an outcome that is fair to all Centerra's shareholders. In accordance with the Kumtor Project Agreements, any disputes regarding the Kumtor project are subject to international arbitration.

Centerra will continue to engage constructively and in good faith with the government of the Kyrgyz Republic to resolve all outstanding matters affecting the Kumtor project in accordance with the Kumtor Project Agreements. While Centerra has a long record of resolving matters with the Kyrgyz Republic government, there are no assurances that continued discussions between the Government and Centerra will result in a mutually acceptable solution regarding the Kumtor project, that any agreed upon proposal would receive the necessary approvals under Kyrgyz and Canadian laws or that the

Kyrgyz Republic government and/or parliament will not take actions that are inconsistent with the government's obligations under the Kumtor Project Agreements.

Cautionary Note Regarding Forward-looking Information

Information contained in this news release which are not statements 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", "envision", "target", "intends", "estimate", "may", "will", and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, continued negotiations with the Kyrgyz Republic government and Kyrgyzaltyn to resolve all outstanding matters affecting the Kumtor project.

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: resource nationalism including the management of external stakeholder expectations; the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the Kyrgyz Republic including any unjustified civil or criminal action against Centerra, its affiliates or its current or former employees; the impact of any actions taken by the Kyrgyz Republic government and parliament relating to the Kumtor Project Agreements which are inconsistent with the rights of Centerra and Kumtor Gold Company under the Kumtor Project Agreements; any impact on the purported cancellation of Kumtor's land use rights at the Kumtor project pursuant to a court claim commenced by the Kyrgyz Republic General Prosecutor's Office; the risks related to other outstanding litigation affecting operations in the Kyrgyz Republic; the impact of the delay by relevant Kyrgyz government agencies to provide required approvals and permits, including the delay currently being experienced at the Kumtor Project over the Kumtor 2015 life of mine plan, maximum allowable emissions permits, permit for the discharge of toxic waste, and ecological passport; the inability of Centerra and its subsidiaries to enforce their legal rights in certain circumstances; the presence of a significant shareholder that is a state-owned company of the Kyrgyz Republic and such other factors as described under the heading "Risk Factors" in Centerra's most recently filed annual information form 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. 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 22, 2015. 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 North-American based gold mining company focused on operating, developing, exploring and acquiring gold properties in Asia, North America and other 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 headquartered in Toronto, Ontario, Canada.

For more information:

Jeff Parr

Chief Financial Officer

(416) 204-1953

jeff.parr@centerragold.com

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

- end -