

centerra**GOLD**



NEWS RELEASE

Centerra Gold Announces a Dividend of Cdn\$0.04 per share

Toronto, Canada, May 15, 2012: Centerra Gold Inc. (TSX: CG) announced today its first quarterly dividend. The Board of Directors has authorized a dividend of Cdn\$0.04 per common share (approximately US\$9.4 million at the current exchange rate). The dividend of Cdn\$0.04 per common share is payable on June 15, 2012 to shareholders of record on May 31, 2012. The ex-dividend date will be May 29, 2012.

The dividend is an eligible dividend for Canadian income tax purposes.

In accordance with Centerra's dividend policy, the timing and quantum of dividends are to be determined by the Board of Directors from time to time based on, among other things, the Company's operating results, cash flow and financial conditions, Centerra's current and anticipated capital requirements, and general business conditions. While Centerra currently intends to pay quarterly dividends to its shareholders, there are no assurances in this regard.

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, statements with respect to Centerra's intentions to continue paying quarterly dividends, the future price of gold, the estimation of mineral reserves and resources, the realization of mineral reserve estimates, Centerra's expectations regarding future production, cash cost per ounce produced and expected milling plan for 2012; Centerra's statements regarding future growth, results of operations, future production and sales, operating capital expenditures, and performance; expected trends in the gold market, including with respect to costs of gold production; capital and operational expenses for 2012; exploration plans for 2012 and the success thereof; mining plans at each of Centerra's operations; the receipt of permitting and regulatory approvals at Centerra's Gatsuurt development property; the impact of the Water and Forest Law on Centerra's Mongolian activities; permitting of the heap leach activities at the Boroo mine; anticipated delays and approvals and regulatory commissioning of the Gatsuurt development property as a result of the Water and Forest Law; Centerra's ability to successfully manage the ice and waste movement at Kumtor and to access reserves in the southwest portion of the Kumtor pit in September 2012; 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 principal operations in the Kyrgyz Republic and 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; ground movements at the Kumtor project; waste and ice movement at the Kumtor project; 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 May 15, 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.

For more information:

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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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