

centerra**GOLD**



NEWS RELEASE

Centerra Gold Reports Search of Kumtor Gold Company's Bishkek Office

Toronto, Canada, April 28, 2016: Centerra Gold Inc. (TSX: CG) ("Centerra" or the "Company") reports that the Kyrgyz Republic General Prosecutor's Office ("GPO") and other state law enforcement agencies conducted a search at the Bishkek offices of Kumtor Gold Company ("KGC"), Centerra's wholly-owned, Kyrgyz Republic subsidiary, on the afternoon of Thursday, April 28. According to a news release issued by the GPO, the purpose of the search appears to be to collect documents relevant to a criminal case relating to alleged financial violations by KGC in connection with past inter-corporate transactions between KGC and Centerra. Mine operations remain unaffected by the GPO's action.

The Kyrgyz Republic government has very recently indicated to Centerra its dissatisfaction with the current arrangements governing Centerra and the Kumtor project. The government repeated certain historical concerns and allegations regarding Centerra's and KGC's management and governance and the operations of the Kumtor project and expressed its desire to resolve all such matters through proposals to be provided by it to Centerra. Centerra has communicated to the Kyrgyz Republic government its openness to receive and discuss proposals to resolve such concerns in a manner that is fair to all of Centerra's shareholders. No negotiations with the Kyrgyz Republic government have to date taken place.

As previously disclosed, the Kyrgyz Republic government has expressed concerns regarding, among other things, an inter-corporate dividend paid by KGC to Centerra in 2013. The Company re-iterates that such inter-corporate dividend complied with the 2009 agreements governing the Kumtor Project (the "Kumtor Project Agreements") and all applicable Kyrgyz Republic laws. Any claims to the contrary are without merit.

The Company has benefited from a close and constructive dialogue with Kyrgyz Republic authorities during Kumtor Project operations and remains committed to working with them to resolve these issues in accordance with the Kumtor Project Agreements, which provide for all disputes to be resolved by international arbitration, if necessary. However, there are no assurances that the Company will be able to successfully resolve any or all of the outstanding matters affecting the Kumtor Project. There are also no assurances that any discussions between the Kyrgyz Republic government and Centerra will result in a mutually acceptable solution regarding the arrangements governing Centerra and the Kumtor Project or receive the necessary legal and regulatory approvals under Kyrgyz law and/or Canadian law and 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, including adopting a law "denouncing" or purporting to cancel or invalidate the Kumtor Project Agreements or laws enacted in relation thereto. The inability to successfully resolve all such matters would have a material adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

About Centerra

Centerra is a Canadian-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:

John W. Pearson
Vice President, Investor Relations
(416) 204-1953
john.pearson@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 -