# NEWS RELEASE

## Centerra Gold Reports Third Quarter Results, Net Earnings of $84 million or $0.35 per Share

*This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 18 and in our Cautionary Note Regarding Forward-looking Information on page 26. The financial figures in this news release are presented under International Financial Reporting Standards ("IFRS") see "Conversion to IFRS" on page 20.* ***All figures are in United States dollars.***

***To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine month periods ended September 30, 2011, please visit the following link:***
http://media3.marketwire.com/docs/2011CG+MDA+FS.pdf

**Toronto, Canada, November 3, 2011:** Centerra Gold Inc. (TSX: CG) today reported 2011 third quarter net earnings of $83.8 million or $0.35 per common share, which includes a $10.0 million ($0.04 per share) contribution by Kumtor for the construction and repair of twenty seven schools throughout the Kyrgyz Republic and a $8.3 million ($0.04 per share) increase in the settlement regarding the Kyrgyz Social Fund. This compares to net earnings of $16.9 million or $0.07 per common share, which included a $34.9 million net gain on the sale of the Company's REN project in the same quarter of 2010.

Revenue in the third quarter of 2011 increased to $278.4 million from $119.9 million in the same period last year reflecting higher realized gold prices and more ounces sold. Centerra realized an average gold price of $1,705 per ounce for the third quarter of 2011, an increase from the $1,237 per ounce realized in the same quarter of 2010.

Consolidated gold production for the third quarter of 2011 was in line with the Company's guidance and totaled 154,936 ounces at a total cash cost of $556 per ounce produced compared to 96,308 ounces at a total cash cost of $798 per ounce produced in the corresponding quarter of 2010. (Total cash cost per ounce produced is a non-GAAP measure and is discussed under "Non-GAAP Measures" in this news release.) During the third quarter of 2011, cash provided by operations, net of working capital changes, was $106.1 million compared to cash used by operations of $19.2 million in the third quarter of 2010.

### Third Quarter Highlights

- Consolidated gold production of 154,936 ounces
- Cash flow generated by operations $106 million or $0.45 per share

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- Kumtor has achieved a continuous mining rate of 500,000 tonnes per day as planned
- Gold production guidance increased at Kumtor to a range of 580,000 to 600,000 ounces from 550,000 to 600,000 ounces
- Consolidated gold production guidance increased to a range of 640,000 to 660,000 ounces from 600,000 to 650,000 ounces
- Centerra becomes a supporting company of the Extractive Industries Transparency Initiative (“**EITI**”)
- ATO project in Eastern Mongolia, additional 26 holes completed
- Strong cash balances and no debt while continuing to fund capital programs

**Commentary**

Steve Lang, President and CEO of Centerra stated, “After another solid quarter of operating performance at our mines, we are increasing our gold production guidance for 2011 to 640,000 to 660,000 ounces. At the Kumtor mine, we are increasing our gold production guidance to 580,000 to 600,000 ounces and at the Boroo mine, we are forecasting approximately 60,000 ounces of production for the year. As well, I am pleased to announce that Centerra’s first corporate responsibility report is now available. The report follows the Global Reporting Initiative’s guidelines for a Level “C” report and is available on our website.”

“As part of our evolving corporate responsibility efforts, Kumtor contributed $10 million during the quarter for the construction and repair of twenty-seven schools throughout the Kyrgyz Republic. In addition, we have reached a settlement with the Kyrgyz Social Fund to voluntarily pay $14.1 million covering the 2010 year and the first nine months of 2011. Going forward, Kumtor has agreed to make contributions to the Social Fund in respect of the high-altitude premium, a portion of which will be paid by the employer and a portion of which will be paid by the employees,” he concluded.

## Financial and Operating Summary

| | Three Months Ended Sept 30 | | | Nine Months Ended Sept 30 | | |
|---|---|---|---|---|---|---|
| **Financial and Operating Summary** | **2011** | 2010 | **% Change** | **2011** | 2010 | **% Change** |
| Revenue - $ millions | **278.4** | 119.9 | 132% | **772.4** | 527.5 | 46% |
| Cost of sales - $ millions (1) | **110.5** | 94.4 | 17% | **278.2** | 252.6 | 10% |
| Net earnings - $ millions | **83.8** | 16.9 | 396% | **291.5** | 171.5 | 70% |
| Earnings per common share - $ basic and diluted | **0.35** | 0.07 | 400% | **1.23** | 0.73 | 68% |
| Cash provided by operations - $ millions | **106.1** | (19.2) | 653% | **367.2** | 139.6 | 163% |
| Capital expenditures - $ millions | **37.2** | 72.8 | (49%) | **158.0** | 156.6 | 1% |
| Weighted average common shares outstanding - basic (thousands) | **236,126** | 235,406 | 0% | **236,009** | 235,088 | 0% |
| Weighted average common shares outstanding - diluted (thousands) | **236,413** | 235,793 | 0% | **236,263** | 235,431 | 0% |
| | | | | | | |
| Average gold spot price - $/oz | **1,702** | 1,227 | 39% | **1,535** | 1,178 | 30% |
| Average realized gold price - $/oz | **1,705** | 1,237 | 38% | **1,534** | 1,163 | 32% |
| | | | | | | |
| Gold sold – ounces | **163,283** | 96,922 | 68% | **503,554** | 453,558 | 11% |
| Cost of sales - $/oz sold (1) | **677** | 974 | (31%) | **552** | 557 | (1%) |
| | | | | | | |
| Gold produced – ounces | **154,936** | 96,308 | 61% | **490,818** | 429,075 | 14% |
| Total cash cost - $/oz produced(2) (3) | **556** | 798 | (30%) | **474** | 521 | (9%) |
| Total production cost - $/oz produced(2) (3) | **857** | 964 | (11%) | **649** | 648 | 0% |

(1) As a result of the IFRS conversion, cost of sales for 2011 and its comparative year now include depreciation, depletion and amortization related to operations.
(2) Total cash cost and total production cost are non-GAAP measures and are discussed under “Non-GAAP Measures”.
(3) As a result of Kumtor’s Restated Investment Agreement signed in 2009, total cash cost and total production cost per ounce measures for both years exclude production-based and revenue-based taxes.

Revenues for the third quarter of 2011 increased to $278.4 million compared to $119.9 million during the same period one year ago. Third quarter 2011 revenue reflects a 68% increase in ounces sold (163,283 ounces versus 96,922 ounces) and a 38% increase in realized gold price ($1,705 per ounce in the third quarter of 2011 versus $1,234 per ounce in the third quarter of 2010) in the period.

Gold production for the third quarter of 2011 was 154,936 ounces compared to 96,308 ounces in the third quarter of 2010. The increase in gold production reflects 105% higher gold production at the Kumtor mine. At Kumtor, the increase in production was the result of higher throughput, lower waste movement and the processing of higher grade material with the associated higher recoveries. Gold production at Boroo was lower in the third quarter 2011 due to processing low-grade stockpiled ore with lower recoveries as mining operations ceased at the end of November 2010. The heap leach operation at Boroo remained idle during the quarter.


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Centerra's total cash cost per ounce of gold produced was $556 in the third quarter of 2011 compared to $798 in the third quarter of 2010. The year-over-year decrease in unit cash costs was primarily due to 105% higher gold production at Kumtor, partially offset by higher operating costs at Kumtor and reduced operating levels at Boroo (see "Operations Update"). The settlement with the Kyrgyz Social Fund is not included in the cash cost per ounce calculation for the current quarter of 2011, however the revised basis for the social fund calculation will increase the regular payments going forward which are part of operating costs and the cash cost per ounce calculation. Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measures" in this news release.

Cash provided by operations was $106.1 million or $0.45 per share for the third quarter of 2011 compared to a use of cash from operations of $19.2 million for the prior year third quarter. The increase reflects increased earnings as a result of higher gold sales volumes and higher average realized gold prices.

Capital expenditures spent and accrued of $37.2 million in the third quarter of 2011 included $9.9 million of sustaining capital and $27.3 million invested in growth capital. Growth capital at Kumtor totaled $25.1 million including spending on the SB Zone underground development ($11.4 million), the capitalization of pre-stripping activities ($9.0 million), the commissioning of haul trucks ($1.5 million) and the purchase of drilling equipment and light vehicles ($1.3 million), while at Boroo $2.1 million was spent on raising the tailings dam. Capital expenditures in the comparative quarter of 2010 totaled $34.3 million, consisting of $9.3 million of sustaining capital and $25.0 million of growth capital.

Exploration costs in the third quarter of 2011 increased to $9.1 million from $8.0 million in the same quarter of 2010 mainly reflecting increased drilling activity in Mongolia at the Altan Tsagaan Ovoo (ATO) property and at the Company's other advanced projects. Refer to the Company's July 11, 2011 and July 28, 2011 news releases for further details on the Company's drilling activity and results at the ATO property.

Net earnings for the third quarter of 2011 was $83.8 million, or $0.35 per share, reflects higher realized gold prices and higher ounces sold and produced at Kumtor, partially offset by lower volumes at Boroo. The 2011 third quarter results includes a $10.0 million contribution by Kumtor for the construction and repair of twenty seven schools throughout the Kyrgyz Republic and a $8.3 million increase in the settlement between Kumtor and the Kyrgyz Social Fund, as well as the impact of currency movements in the quarter (expense of $2.4 million in the third quarter of 2011 compared to income of $1.7 million in the same quarter of 2010). This compares to $16.9 million or $0.07 per share for the same period in 2010, which includes a net gain of $34.9 million recorded in the third quarter of 2010 as a result of the Company completing the sale of the REN project.

Centerra's cash and cash equivalents and short-term investments were $537.4 million at September 30, 2011, compared to cash and cash equivalents and short-term investments of $413.0 million at December 31, 2010. As at September 30, 2011, the Company had an undrawn revolving credit facility of $150.0 million.


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## Operations Update

| | Three Months Ended Sept 30 | | | Nine Months Ended Sept 30 | | |
|---|---|---|---|---|---|---|
| **Kumtor Operating Results** | **2011** | 2010 | **% Change** | **2011** | 2010 | **% Change** |
| Gold sold – ounces | **146,765** | 66,490 | 121% | **457,597** | 358,461 | 28% |
| Revenue - $ millions | **250.3** | 82.2 | 205% | **701.4** | 415.3 | 69% |
| Average realized gold price – $/oz | **1,705** | 1,237 | 38% | **1,533** | 1,159 | 32% |
| Cost of sales - $ millions (1) | **94.6** | 76.5 | 24% | **235.8** | 200.3 | 18% |
| Cost of sales - $/oz sold (1) | **645** | 1,151 | (44%) | **515** | 559 | (8%) |
| Tonnes mined - 000s | **38,702** | 30,714 | 26% | **113,480** | 86,905 | 31% |
| Tonnes ore mined – 000s | **2,889** | 774 | 273% | **4,925** | 2,953 | 67% |
| Average mining grade - g/t (2) | **3.05** | 1.89 | 61% | **3.43** | 3.51 | (2%) |
| Tonnes milled - 000s | **1,429** | 1,390 | 3% | **4,365** | 4,290 | 2% |
| Average mill head grade - g/t (2) | **4.01** | 1.57 | 155% | **3.79** | 3.10 | 22% |
| Recovery - % | **80.2** | 73.4 | 9% | **81.8** | 76.4 | 7% |
| Gold produced – ounces | **141,217** | 68,757 | 105% | **444,460** | 339,369 | 31% |
| Total cash cost - $/oz produced (3) (4) | **533** | 887 | (40%) | **454** | 512 | (11%) |
| Total production cost - $/oz produced (3) (4) | **850** | 1,065 | (20%) | **632** | 626 | 1% |
| | | | | | | |
| Capital expenditures - $ millions | **34.4** | 70.3 | (51%) | **152.3** | 133.2 | 14% |
| **Boroo Operating Results** | | | | | | |
| Gold sold – ounces | **16,518** | 30,432 | (46%) | **45,957** | 95,097 | (52%) |
| Revenue - $ millions | **28.1** | 37.7 | (25%) | **71.0** | 112.2 | (37%) |
| Average realized gold price - $/oz | **1,702** | 1,237 | 38% | **1,545** | 1,180 | 31% |
| Cost of sales - $ millions (1) | **15.9** | 17.9 | (11%) | **42.5** | 52.2 | (19%) |
| Cost of sales - $/oz sold (1) | **963** | 588 | 64% | **925** | 549 | 68% |
| Total Tonnes mined - 000s | - | 2,578 | (100%) | - | 9,641 | (100%) |
| Average mining grade (non heap leach material) - g/t (2) | - | 1.47 | (100%) | - | 1.32 | (100%) |
| Tonnes mined heap leach – 000s | - | 143 | (100%) | - | 1,498 | (100%) |
| Tonnes ore mined direct mill feed -000's | - | 201 | (100%) | - | 2,074 | (100%) |
| Tonnes ore milled - 000s | **605** | 594 | 2% | **1,711** | 1,832 | (7%) |
| Average mill head grade - g/t (2) | **0.95** | 1.97 | (52%) | **1.20** | 1.98 | (39%) |
| Recovery - % | **72.8** | 69.8 | 4% | **67.9** | 72.6 | (6%) |
| Gold produced – ounces | **13,719** | 27,551 | (50%) | **46,358** | 89,706 | (48%) |
| Total cash cost - $/oz produced (3) | **798** | 575 | 39% | **664** | 558 | 19% |
| Total production cost - $/oz produced (3) | **927** | 715 | 30% | **807** | 732 | 10% |
| | | | | | | |
| Capital expenditures - $ millions (Boroo) | **2.7** | 3.5 | (23%) | **5.2** | 6.9 | (25%) |
| Capital expenditures - $ millions (Gatsuurt) | **0.1** | 1.3 | (92%) | **0.3** | 16.3 | (98%) |

(1) As a result of the IFRS conversion, cost of sales for 2011 and its comparative year now include depreciation, depletion and amortization related to operations.
(2) g/t means grams of gold per tonne.
(3) Total cash cost and total production cost are non-GAAP Measures and are discussed under "Non-GAAP Measures".
(4) As a result of Kumtor's Restated Investment Agreement signed in 2009, total cash cost and total production cost per ounce measures for both years are shown excluding operating and revenue-based taxes.

### Kumtor

At the Kumtor mine in the Kyrgyz Republic, gold production was 141,217 ounces in the third quarter of 2011 representing a 105% increase from the same quarter in 2010. The increase in gold production was the result of higher grades (3.05 g/t versus 1.89 g/t) and higher recoveries (80.2%


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versus 73.4%) in the third quarter of 2011. During the quarter, the majority of the mill feed processed was ore sourced from cut-back 12B which resulted in the higher head grade and recovery for the quarter. As a result of the larger mining fleet (36 new CAT 789 trucks as of the end of September, seven acquired this year plus four Liebherr shovels), total tonnes mined increased in the third quarter of 2011 to 38.7 million tonnes compared to 30.7 million tonnes in the comparative quarter of 2010. The amount of waste material moved increased by 5.9 million tonnes (20%), while ore mined increased by 2.1 million tonnes (273%). This represents an additional 8.0 million tonnes (26%) of ore and waste moved compared to the same quarter in 2010. Ore tonnage processed increased 2.8% to 1.4 million tonnes in the quarter compared to the same period in 2010.

Total cash cost per ounce, a non-GAAP measure of production efficiency, was $533 in the third quarter of 2011 down from $887 in the third quarter of 2010. The quarter-over-quarter decrease in unit cash costs reflects 105% higher gold production, which decreased cash costs by $562 per ounce, partially offset by the higher operating costs reflecting rising cost pressure for fuel and labour, which increased cash costs by $208 per ounce. The Company's production in the comparative period of 2010 was significantly lower due to processing low-grade stockpiles as mining focused on concluding the waste stripping and exposing the ore in cutback 12A. The settlement with the Kyrgyz Social Fund is not included in the cash cost per ounce calculation for the current quarter of 2011, however the revised basis for the social fund calculation will increase the regular payments going forward which are part of operating costs and the cash cost per ounce calculation.

The total cash costs were $75.2 million in the third quarter of 2011 compared to $61.0 million in the same period of 2010. The cost increase reflects the higher mining rate achieved during the third quarter of 2011 where 26% more tonnes of waste and ore were moved with Kumtor's expanded mining fleet. This also reflects higher operating costs due to an increase of $6.7 million in labour costs as a result of the new collective agreement with the unionized workforce signed in October 2010, an increase of $2.7 million in maintenance labour costs and higher consumable costs, in particular, a $4.6 million increase in diesel costs and a $2.3 million increase in reagent costs, partially offset by higher by-product revenue from silver sales of $1.5 million. (Total cash cost per ounce produced is a non-GAAP measure and is discussed under "Non-GAAP Measures".)

Exploration expenditures totaled $3.1 million for the third quarter of 2011, comparable to the same quarter in 2010. Exploration activity in the quarter focused on regional surface work and drilling within the Central Pit, Northeast, Sarytor, Southwest and Akbel areas and regional exploration.

Capital expenditures spent and accrued in the third quarter of 2011 were $34.3 million compared to $70.3 million in the same quarter of 2010. The current quarter 2011 expenditure consisted of $9.3 million of sustaining capital, predominantly spent for the major overhaul program for heavy duty equipment ($4.7 million), the tailings dam lift ($2.7 million) and numerous other projects ($1.9 million). Growth capital investment totaled $25.0 million which was mainly spent on underground development ($11.4 million), pre-stripping capitalization ($9.0 million), commissioning of new CAT 789 haul trucks ($1.5 million), purchase of drilling equipment ($0.7 million), purchase of light vehicles ($0.6 million), dewatering pumps for the underground ($0.6 million), Stockwork delineation drilling ($0.4 million) and numerous other projects ($0.8 million).

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The underground development at Kumtor continued in the third quarter of 2011 with a total advance of 503 metres. Year-to-date total development advance is 1,394 metres. Decline #1 (SB Zone decline) advanced 260 metres in the third quarter and is now approximately 1.7 kilometres in length out of a total planned development of 2.6 kilometres. Decline #2 advanced 157 metres in the third quarter towards the SB Zone and totals 964 metres in length out of a total planned development of 1.8 kilometres. The Stockwork Drive advanced 86 metres in the third quarter to a total length of 515 metres enabling further delineation drilling.

**Boroo/Gatsuurt**

At the Boroo mine in Mongolia, gold production was 13,719 ounces in the third quarter of 2011 compared to 27,551 ounces in the third quarter of 2010. The lower gold production is the result of processing low-grade and low-recovery stockpiled ore as mining operations ceased at the end of November 2010. The heap leach operation remained idle during the third quarter 2011 awaiting issuance of the final operating permit from the Mongolian Government. The milling ore grade averaged 0.95 g/t with a recovery of 72.8% in the third quarter of 2011, compared to 1.97 g/t with a recovery of 69.8% in the same quarter of 2010.

Total cash cost per ounce produced, a non-GAAP measure of production efficiency, was $798 in the third quarter of 2011 compared to $575 in the third quarter of 2010 due to the lower gold production which was partially offset by lower operating costs. Operating costs decreased in the quarter by $4.5 million primarily due to a $3.4 million reduction in mining costs as mining operations ceased at the end of November 2010.

During the third quarter of 2011, exploration expenditures in Mongolia increased to $2.3 million from $2.2 million in the same period of 2010, reflecting additional drilling on the ATO property in northeast Mongolia. Capital expenditures spent and accrued at Boroo in the third quarter of 2011 were $2.7 million compared to $3.5 million the same quarter of 2010. This consisted of $0.2 million of sustaining capital and $2.1 million of growth capital investment spent on raising the tailings dam.

## Exploration Update

**To view the graphics, maps/drill sections and complete drill results discussed in this news release, please visit the following link:**
http://file.marketwire.com/release/CGQ3-2011Exploration1103.pdf **or visit the Company's web site at:** www.centerragold.com.

## KYRGYZ REPUBLIC

During the third quarter of 2011, exploration drilling programs continued in the Kumtor Central Pit and on the Kumtor concession at the Northeast, Southwest, Sarytor, Bordoo and Akbel areas. Surface exploration and road building continued on the Karasay and Koendy projects.

**Kumtor Pit**

In the third quarter of 2011, twelve drill holes were completed and a further three holes are in progress at the end of the quarter to test the extent and grade of mineralization within and below the KS11 open pit design and also at deeper elevations in the Saddle and SB Zones.

Two holes were drilled to test the SW Extension of the SB Zone below the KS 11 pit. Holes D1560A and D1568 were drilled on Section (-38) and both intersected significant mineralization immediately below the KS 11 pit design. Hole D1560A intersected 5.6 g/t Au over 29.8 metres (including 11.7 g/t Au over 9.0 metres) and 1.5 g/t Au over 6.8 metres. Hole D1568 hole intersected 8.2 g/t Au over 20.9 metres (including 31.0 g/t Au over 3.7 metres) and 2.8 g/t Au over 11.4 metres. Additional drilling to test the SW Extension of the SB Zone will be carried out in the fourth quarter when access becomes available in this active mining area.

A deep hole D1411E hole was drilled on Section (-2) to test the down dip extension of the SB Zone at the 3,000 metre elevation. The hole intersected the Kumtor structure 500 metres down dip from the closest drill hole and returned encouraging results with intercepts of 4.2 g/t Au over 2.1 metres and 4.1 g/t Au over 24.0 metres (including 12.9 g/t Au over 3.0 metres). This is one of two deep holes that have tested the down dip extension of the SB Zone at the 3,000 metre elevation.

Hole D1567B hole was drilled on Section 102 to test the down dip extension of the Saddle Zone at the 3,300 metre elevation. The hole intersected significant mineralization with intercepts of 5.8 g/t Au over 22.8 metres (including 11.9 g/t Au over 5.7 metres), 4.2 g/t Au over 5.9 metres and 1.9 g/t over 8.5 metres.

Drilling of the deeper down dip extensions of the Saddle and SB Zones will continue in the fourth quarter of 2011.

**Decline Exploration**
In the third quarter of 2011 two exploration drill holes were completed from Decline 1 to test the Kumtor structure below Davidov glacier. One hole intersected the Kumtor structure with no significant assays and the second hole was abandoned before reaching the target.

Exploration drilling from Decline 1 to test below the Davidov glacier will continue in the fourth quarter of 2011 whenever drill access becomes available.

**Resource Delineation Drilling**
Two holes were completed as part of the Stockwork Zone resource delineation program that commenced in the second quarter of 2011. Three holes were stopped before reaching the target due to technical difficulties and one drill hole is currently in progress. Hole UD1556A intersected the Stockwork mineralization returning grades of 3.3 g/t Au over 17.8 metres and hole UD1571 intersected 1.7 g/t Au over 5.0 metres and 3.7 g/t Au over 9.1 metres. Drilling in the Stockwork Zone will continue in the fourth quarter with the addition of a second drill.

**Regional Exploration**
Regional exploration drilling continued in the third quarter of 2011 with up to four drills rigs active testing targets in the Northeast, Sarytor, Southwest, Bordoo and Akbel areas.

**Northeast Area**
Five holes were completed in the third quarter and one drill hole is currently in progress on the northeast end of the Northeast prospect. All drill holes were designed to test for the extension of the


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high grade mineralization identified 150-200 metres below surface on the northeast end of the structure in this area.

Hole D1562 intersected 3.6 g/t Au over 18.8 metres and 8.1 g/t Au over 2.8 metres, hole D1566 returned the grades of 1.8 g/t Au over 10.2 metres and 23.4 g/t Au over 9.0 metres. The results indicate the potential for high-grade mineralization to the northeast of the known mineralization. Further drilling is planned in the fourth quarter of 2011.

**Sarytor Area**
Two holes were completed during the third quarter and two holes are in progress. The drill holes were designed to test for down dip extensions of the Sarytor mineralization. Hole SR-11-197 intersected a wide zone of weak mineralization associated with assays of 1.0 g/t over 5.9 metres and 2.3 g/t over 26.6 metres. Hole SR-11-198 intersected a thick zone of alteration which returned assays of 2.6 g/t Au over 2.0 metres and 1.0 g/t Au over 9.9 metres.

**Southwest Area**
Four drill holes were completed in the third quarter and one is in progress. The holes were designed to follow up on encouraging sample results from trenching. Three drill holes intersected oxidised mineralisation in a mélange zone and returned intercepts of: 3.5 g/t Au over 2.4 metres in hole SW-11-244, 4.7 g/t Au over 10.2 metres and 10.3 g/t Au over 3.4 metres in hole SW-11-244A and 8.5 g/t Au over 11.0 metres and 20.8 g/t Au over 4.0 metres in hole SW-11-246. Further drilling is planned in the fourth quarter of 2011.

**Bordoo Area**
Two drill holes were completed during the third quarter to test geophysical targets and no significant alteration or mineralization was intersected.

**Akbel Area**
Three holes were drilled in the third quarter to test geophysical targets and no significant alteration or mineralization was intersected.

**Karasay and Koendy Projects**
During the third quarter of 2011 exploration continued with trenching, prospecting, geological mapping and the collection of geochemical, grab, chip and channel samples. Drill targets have been identified on both licences and road construction is in progress.

A complete listing of the drill results and supporting maps for the Kumtor pit and Northeast area have been filed on the System for Electronic Document Analysis and Retrieval ('SEDAR') at www.sedar.com and are available at the Company's web site at: www.centerragold.com.

## MONGOLIA
Field activities in Mongolia in the third quarter were focused on the ATO prospect and in the district and included resource delineation drilling as well as trenching, mapping, geochemical and geophysical surveys.

At the ATO prospect an additional 26 holes were completed in the third quarter and the initial delineation drilling has now been completed on the three mineralized pipes that have been identified. Some of the better intercepts from the drilling completed in the third quarter of 2011 are:

**Centerra Gold Inc. - ATO 2011 Drilling Results**
**Results from July 1st, 2011 to September 30th, 2011**

| Section | Location | Drill Hole | From (m) | To (m) | Core Length (m) | Au (g/t) | Ag (g/t) | Pb % | Zn % |
|---|---|---|---|---|---|---|---|---|---|
| 11 SE | PIPE 1 | ATO-179 | 0.00 | 68.45 | 68.45 | 0.33 | 3.75 | 0.33 | 0.64 |
| | | | 182.10 | 199.95 | 17.85 | 0.34 | 3.25 | 0.69 | 1.68 |
| | | | 205.75 | 265.05 | 59.30 | 1.80 | 8.13 | 1.97 | 2.81 |
| | | | *includes 207.75* | *239.75* | *32.00* | *2.87* | *10.73* | *2.53* | *3.26* |
| | PIPE 4 | ATO-170 | 6.00 | 29.10 | 23.10 | 3.88 | 79.18 | 0.18 | 0.19 |
| | | | *includes 7.40* | *28.00* | *20.60* | *4.27* | *85.06* | *0.18* | *0.17* |
| | | | 35.15 | 75.60 | 40.45 | 1.11 | 65.68 | 0.04 | 0.09 |
| 13 SE | PIPE 4 | ATO-171 | 7.20 | 120.85 | 113.65 | 1.08 | 30.19 | 0.06 | 0.07 |
| 15 SE | PIPE 4 | ATO-167 | 57.20 | 81.20 | 24.00 | 0.46 | 85.26 | 0.01 | 0.03 |
| | | | 73.10 | 123.00 | 49.90 | 0.57 | 7.05 | 0.08 | 0.15 |
| 17 SE | PIPE 4 | ATO-169 | 98.10 | 113.70 | 15.60 | 0.86 | 17.16 | 0.01 | 0.03 |
| | | | 118.85 | 124.80 | 5.95 | 0.54 | 44.31 | 0.05 | 0.11 |
| | | ATO-174 | 97.00 | 144.15 | 47.15 | 1.69 | 4.64 | 1.13 | 1.56 |
| | | | 153.85 | 226.50 | 72.65 | 1.31 | 6.29 | 1.06 | 1.96 |

Notes: **Mineralized intervals are greater than 0.10 g/t Au.**
**Higher grade sub-intervals are greater than 1.00 g/t Au.**
**Individual assays are top cut to 30 g/t Au prior to composite calculation.**
**True widths for mineralized zones are about 20% to 50% of stated down hole interval.**
**This information should be read together with our news release of November 3rd, 2011.**
**Ian Atkinson, a Certified Professional Geologist, is Centerra's qualified person for the purpose of National Instrument 43-101.**
**Tables are current to September 30th, 2011.**

Drilling on Pipe #1 has been completed on a 30 by 30 metre grid with a total of 97 drill holes totalling 17,060 metres. Pipe #1 has an oval shape surface projection of approximately 200 by 300 metres oriented NE - SW. It has been drilled to a depth of 200-250 metres below surface (elevation 850 metres) where the pipe has a similar length and slightly less width. Vertically Pipe #1 has slightly asymmetric mushroom shape, where the upper branch extends SE. Pipe #1 has primarily Pb mineralization in the upper portion and Pb+Zn mineralization at depth. The gold distribution is consistent from surface down to the 850 metre elevation.

Drilling has been completed at Pipe #2 on a 30 by 60 metre grid with a total of 36 holes totalling 5,928 metres of drilling. Pipe #2 is also ovoid in shape but is smaller than Pipe #1 and is approximately 120 by 270 metres on surface. It is also oriented NE - SW and somewhat narrower at depth with base metal mineralization forming a high grade +5% zone at depth.

Drilling in the third quarter of 2011 on Pipe #4 has extended the pipe a further 180 metres to the northeast. Pipe #4 has been drilled on a 30 by 60 metre grid with a total of 47 holes and 8,091 metres of drilling completed to the end of the third quarter. Pipe #4 has similar geometry of 150 to 300 metres on surface oriented NE – SW and it narrows at depth.

Significant trenching, mapping, sampling, geochemical and geophysical surveys were carried on targets being developed on the large ATO land package. Drilling to test the targets being identified will start in the fourth quarter of 2011.

The most encouraging results to date are from trenches completed in the Apricot prospect, an emerging target located approximately 2.5 kilometres to the SSW of the ATO deposit. The Apricot prospect is comprised of andesite and mainly rhyolite porphyry and underlined by volcanoclastic material. These rocks are cut by narrow quartz – sulphide veinlets from few cm to 1.5 metres and veinlets zones roughly oriented W-E and dipping steeply N. These zones commonly have Au; base metals are up to 1%, As up to 1,000 ppm and Sb – up to 100 ppm. The Apricot narrow veining could represent distal Au-Ag-Sb-As veins outside of the ATO pipes.

The compilation of data for the Mongolian Reserve and Resource Report (RRR) has been initiated. Completion and submission of the combined RRR to the Mongolian Mineral Authorities is targeted for the end of 2011.

## RUSSIA

**Kara Beldyr JV**
Drilling continued in the third quarter of 2011 with holes completed on the Gord, Ezen and Camp Zones.

**Gord Zone**
Drilling was carried out on a 25 by 50 metre grid in the centre of the Gord Zone to fulfill Russian Mineral Authorities Reserve and Resource report requirements. Six holes were drilled to a depth of ~120 metres, for a total of 769 metres. Drill holes intersected quartz – sericite alteration at the expected depth. Assay results are pending.

**Ezen Zone**
Third quarter drilling targeted previously identified mineralization at the Ezen prospect, where five holes were completed. Following are some of the better intersections from the Ezen Zone drilling:

- KB-084 - 15.5 g/t Au over 2.1 metres, including 25.5 g/t Au over 1.1 metres
  - 5.3 g/t Au over 10.7 metres, including 21.2 g/t Au over 2.3 metres
  - 1.8 g/t Au over 10.2 metres
  - 1.6 g/t Au over 5.0metres
- KB-085 - 7.7 g/t Au over 2.1 metres
- KB-088 - 2.3 g/t Au over 4.0 metres
  - 9.6 g/t Au over 5.8 metres including 50.3 g/t Au over 1 .0 metres

Drilling at the Ezen prospect will continue in the fourth quarter of 2011.

**Camp Zone**
Fifteen holes were completed to follow up on mineralization first identified in drilling completed in 2010.


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The drilling to date has returned results similar to the 2010 drilling and assay results with high Au grades (up to 100 – 200 g/t Au) over narrow intervals (1-2 metres). The main fault zone was traced and intersected in all fences. The alteration zones vary from 2 to 18 metres and are quartz – sericite - carbonate-pyrite assemblages – typical of the Kara Beldyr prospect. Visible gold was recorded in 50% holes on more than one horizon.

Following are some of the better intercepts from the Camp Zone:

- KB-090 - 157.4 g/t Au over 2.1 metre including 299.9 g/t Au over 1.1 metres
  - 15.9 g/t Au over 10.7 metres including 36.0 g/t Au over 1.4metres
  - 31.5 g/t Au over 2.0 metres
- KB-091 - 4.4 g/t Au over 17.7 metres
  - 8.9 g/t Au over 3.0 metres
  - 23.7 g/t Au over 0.9 metres
  - 5.4 g/t Au over 2.0 metres
  - 1.7 g/t Au over 11.7 metres
- KB-092 - 3.3 g/t Au over 9.5 metres

The Camp Zone is open in both directions to the NE and SW; where there are Au anomalies in both soil and grab samples. Additional drilling is planned to test the potential extensions of the zone.

***Dvoinoy JV***

A joint venture agreement was signed with Evraz Investments and Sakhtakhan at the end of the second quarter of 2011 covering the Dvoinoy project located in the Amur region of eastern Russia. Exploration was started in the third quarter with reconnaissance mapping, soil sampling and prospecting and ground magnetic and D-D IP surveys. Most assay results are pending.

The objectives of this initial exploration program are to refine the drill targets for the initial round of drilling in the fourth quarter of 2011 and also to evaluate entire license area (~100 sq. km) for its potential to host nested porphyries.

***To view the graphics, maps/drill sections and complete drill results discussed in this news release, please visit the following link:***
http://file.marketwire.com/release/CGQ3-2011Exploration1103.pdf
***or visit the Company's web site at:*** www.centerragold.com.

## Other Corporate Developments

The following is a summary of current matters affecting the Company and its subsidiaries in the Kyrgyz Republic, Mongolia and Canada. Except for the Kyrgyz Republic Social Fund matter (as discussed below), no significant changes have occurred on these matters since the Company's most recent interim disclosure documents published on July 28, 2011.

**Kyrgyz Republic**

The Company's Kyrgyz Republic subsidiary pays Kyrgyz Republic Social Fund ("Social Fund") contributions in respect of the base wages of its national employees. In late 2010, the Social Fund notified Kumtor of its position that Kumtor should pay contributions to the Social Fund not only in respect of base wages but also in respect of the premium compensation that it is required to pay employees for work at high-altitude. The position of the Social Fund is inconsistent with its past practices and with prior audits. Following the most recent audit in respect of the 2010 operating year and completed at the end of June 2011, the Social Fund issued an act (assessment) for approximately $6.7 million for the 2010 period. This amount includes a portion assessed on the employer and an amount assessed on Kumtor's employees.

Kumtor filed a claim in September 2011 to invalidate the assessment, however, withdrew this claim upon reaching an agreement with the Social Fund to voluntarily pay the $6.7 million assessment without penalties, fines and financial sanctions and to apply the social fund contribution to the high altitude premium. The assessment for the 2010 year is to be paid in four equal installments by December 31, 2011. Kumtor has paid $1.7 million during the third quarter 2011 and accrued $12.4 million which covers the remaining balance owed on the 2010 assessed year and the amount owed for the first nine months of 2011. Going forward, Kumtor has agreed to pay contribution to the Social Fund in respect of the high-altitude premium, a portion of which will be paid by the employer and a portion of which will be paid by its employees.

**Mongolia**

Except as set out expressly below, matters referred to in the Company's most recently interim disclosure documents published on July 28, 2011 regarding (i) outstanding issues in Mongolia arising from the inspection by the Mongolian General Department of Specialized Inspection (the "SSIA") at Boroo in mid-2009, including the issuance of a final heap leach permit and the resolution of a significant claim for compensation from the SSIA regarding state alluvial reserves covered by the Boroo mining licenses; (ii) the Mongolian Water and Forest Law and its impact on the Boroo project, Gatsuurt project and certain non-material alluvial gold mining licenses, and the proposed amendments to such law; (iii) the suspension of negotiations on a Gatsuurt investment agreement in light of the Water and Forest Law, and (iv) the new graduated royalty fee and its impact (if any) on the Company's Boroo operations, have not materially changed since such date. Management continues to work with applicable Mongolian regulatory authorities to resolve these matters.

Management understands that the proposed amendments to the Water and Forest Law may be discussed in the fall session of Parliament. Centerra remains reasonably confident that the economic and development benefits resulting from its exploration and development activities will ultimately result in the Water and Forest Law having a limited impact on the Company's Mongolian activities. There can be no assurance, however, that this will be the case. Unless the Water and Forest Law is repealed or amended such that the law no longer applies to the project or Gatsuurt is designated as a "mineral deposit of strategic importance" that is exempt from the Water and Forest Law, mineral reserves at Gatsuurt may have to be reclassified as mineral resources or eliminated entirely and the Company may be required to write-off the associated investment in Gatsuurt and Boroo. As at September 30, 2011, the Company has net assets recorded amounting to approximately $36 million related to the investment in Gatsuurt and approximately $28 million remaining capitalized for the

Boroo mill facility and other surface structures which are expected to be utilized for the processing of ore from Gatsuurt. Although the Company expects to exploit the Gatsuurt deposit, should this not be the case the Company would be required to write-off these amounts. A revocation of the Company's mineral licenses, including the Gatsuurt mineral license, or the reclassification of mineral reserves or the write-off of assets could have an adverse impact on Centerra's future cash flows, earnings, results of operations and financial condition.

The heap leach operation at Boroo remained idle during the third quarter of 2011 awaiting issuance of the final operating permit from the Mongolian Government. Unless the Company is successful in obtaining the final heap leach operating permit, it will be required to write-off the associated investment which totals $15.9 million at September 30, 2011.

See "Risk Factors" in the Company's 2010 Annual Information Form ("AIF").

**Corporate**
In March 2011, Centerra was served by a Turkish company, Sistem Muhenkislik Insaat Sanayi Ticaret SA ("Sistem"), with a notice of enforcement to seize any shares and dividends in Centerra held in the name of the Kyrgyz Republic, followed by a notice of garnishment in April 2011 for any debts owed by Centerra to the Kyrgyz Republic (the "Republic"). These notices were served by Sistem through the Sheriff in Toronto as part of the enforcement proceedings brought by Sistem in the Ontario Superior Court to collect approximately $11 million with additional interest, owed to Sistem by the Republic in accordance with a judgment of the Ontario Superior Court enforcing an international arbitration award against the Republic. In these Ontario proceedings, Sistem alleges that the shares in Centerra owned by Kyrgyzaltyn JSC, and any dividends paid in respect of those shares, are in fact legally and beneficially owned by the Republic and are therefore subject to execution to pay the judgment. Based on legal advice received, Centerra disputes those allegations and maintains that Kyrgyzaltyn JSC alone is the legal and beneficial owner of the shares and any dividends in respect of those shares, based on the applicable legal principles and the binding agreements with Kyrgyzaltyn JSC. As a result, and notwithstanding such notices of enforcement and garnishment, Centerra paid its May 18, 2011 dividend in the total amount of approximately Cdn$31 million to Kyrgyzaltyn JSC. Sistem is continuing with its claim regarding the Centerra shares owned by Kyrgyzaltyn JSC. If this claim is successful in the Ontario court proceedings, Sistem may have a right to execute its judgment against those shares and may assert a claim against Centerra in respect of the payment of the dividends to Kyrgyzaltyn JSC. However, Centerra believes it has a strong defence to that claim based on the facts and the law. At a motion in September 2011, Kyrgyzaltyn JSC was formally added as a party to the proceeding.

## Outlook for 2011

### *Production*
Centerra's 2011 consolidated gold production is forecast to be 640,000 to 660,000 ounces, which is slightly increased from the prior guidance disclosed in the Company's news release of July 28, 2011.

The Kumtor mine is expected to produce 580,000 to 600,000 ounces in 2011 revised from the prior guidance of 550,000 to 600,000 ounces reported in the July 28, 2011 news release.

At the Boroo mine, gold production is forecast to be approximately 60,000 ounces, which is higher than the previous guidance of approximately 50,000 ounces. The increased guidance reflects higher than expected gold production at Boroo as the higher grade heap leach ore processed through the mill continues to show better grades than expected. The 2011 forecast assumes no mining or heap leach activities for the remainder of 2011. The forecast also assumes no production from the Gatsuurt project due to uncertainties with permitting final approvals and regulatory commissioning. The Company has determined that at the current gold prices it is economical to process higher grade ore originally intended for the heap leach facility through the mill. In the third quarter, the Boroo mill processed stockpiled material originally intended for the heap leach facility with an average grade of 0.95 g/t. The Boroo mill is expected to process similar material with grades between 0.79 – 0.83 g/t for the balance of the year. If the Company were to receive the heap leach operating permit, it would place lower grade ore on the heap leach pad while continuing to process the higher grade material through the mill. As a result, the Company estimates that the receipt of the heap leach operating permit would add approximately 2,000 to 2,500 ounces per month.

At Gatsuurt, the project is ready to begin production of oxide ore on receipt of the final approvals and regulatory commissioning. See also "Other Corporate Developments – Mongolia" and other material assumptions set out below.

***Total cash cost per ounce produced***
The Company is revising its outlook for cash cost per ounce produced to $480 to $500 from its prior outlook of $460 to $495 to reflect rising cost pressures at the Kumtor mine.

Total cash cost for 2011 for Kumtor is expected to be between $460 to $480 per ounce produced compared to prior guidance of $430 to $460 per ounce produced disclosed in the second quarter of 2011 reflecting increasing operating costs. The increase in the operating costs is mainly due to higher costs for labour, reagents and power that were impacted by a weaker US dollar against major currencies in which the Company operates. Other factors include higher diesel costs due to increased fuel consumption and higher costs for blasting materials and lubricants due to higher purchase prices.

The local labour costs have also been affected by the introduction of social fund contributions on the high altitude premium as disclosed in the "Operations Update" section. As disclosed in "Other Corporate Developments – the Kyrgyz Republic", during the third quarter of 2011 the Company's Kyrgyz Republic subsidiary agreed to pay the revised contributions. The settlement with the Kyrgyz Social Fund is not included in the total cash cost per ounce calculation for the first nine months of 2011. Going forward, the incremental costs of the social fund contributions will be incurred and expensed as operating costs. The expected additional cost for Kumtor is approximately $2.6 million or $17 per ounce for the fourth quarter of 2011.

Boroo's total cash cost is expected to be approximately $750 per ounce produced, which is lower than the previous guidance of approximately $865 per ounce produced disclosed in the second quarter of 2011 reflecting the higher gold production.

Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measures".

**Centerra's Production and Unit Cost – 2011 Forecast as follows**:

| | **Production** *Ounces of gold* | **Total Cash Cost** [(1)] *$ per ounce produced* |
|---|---|---|
| Kumtor | 580,000 – 600,000 | 460 – 480 |
| Boroo | 60,000 | 750 |
| Total Consolidated | 640,000 – 660,000 | 480 – 500 |

(1) Total cash cost is a non-GAAP measure. See "Non-GAAP Measures".

**2011 Exploration Expenditures**

As disclosed previously, the Company has increased the exploration budget for the current year from $34 million to $40 million. $4 million of this additional funding has been allocated for further work on the ATO property in northeast Mongolia, which is 100% owned by the Company. This additional funding for the ATO property brings the total planned exploration expenditures in Mongolia to $11.3 million for target definition and drill programs on the Company's land holdings along the Yeroogol trend and in eastern Mongolia.

The 2011 program will also continue the aggressive exploration work at the Kumtor mine together with an increase in the exploration in the Kumtor district with target definition and drilling programs on properties acquired in 2010. Planned exploration expenditures in the Kyrgyz Republic are approximately $14 million, which is higher than the prior guidance of $13 million due to increased drilling activity.

In 2011, drilling programs will continue on the Kara Beldyr project in Russia to determine the resource potential of the property. The Kara Beldyr project is a joint venture in which Centerra currently holds an indirect 50% interest. Drilling programs will also continue in Turkey and Nevada. Generative programs will continue in the Kyrgyz Republic, Mongolia, Russia, China, Turkey and the U.S. to increase the pipeline of projects that the Company is developing to meet its longer term growth targets.

**2011 Capital Expenditures**

The capital expenditures for 2011 are estimated to be $193 million, including $36 million of sustaining capital and $157 million of growth capital, which is lower than the prior guidance of $203 million.

Capital expenditures include:

| **Projects** | **2011 Growth Capital** ($ millions) | **2011 Sustaining Capital** ($ millions) |
|---|---|---|
| Kumtor mine | 152 | 34 |
| Mongolia | 5 | 2 |
| Consolidated Total | 157 | 36 |


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**Kumtor**

At Kumtor, 2011 total capital expenditures are forecasted to be $186 million which includes $34 million of sustaining capital. The largest sustaining capital spending will be on the major overhaul maintenance of the heavy duty mine equipment ($20 million), expenditures for the shear key, buttress and tailings dam construction works ($5 million) and for equipment replacement and other items ($9 million).

Growth capital investment at Kumtor for 2011 is forecast to be $152 million primarily for the purchase of seven CAT 789 haul trucks ($21 million), purchase of equipment for the North Wall expansion project ($25 million) and pre-stripping costs related to the development of the open pit ($54 million). Also, $50 million is included in growth capital investment for the development of the underground, of which $43 million has been allocated to advance the two underground declines to continue to develop the SB Zone and Stockwork Zone, as well as, $2 million for delineation drilling and $5 million for capital purchases and other costs.

**Boroo & Gatsuurt (Mongolia)**

At Boroo, 2011 sustaining capital expenditures are expected to be $1 million and growth capital is forecast at $5 million primarily for the tailings dam construction to expand the capacity of the Boroo tailings facility to allow treatment of waste.

At Gatsuurt, $1 million is forecast for environmental studies, site maintenance and security of the project site. No other capital for the development of the deeper sulphide ores at Gatsuurt has been forecast and will only be invested following successful regulatory commissioning of the Gatsuurt project. The engineering and construction of a bio-oxidation facility to be located at the Boroo mill, which is needed to treat Gatsuurt sulphide ores, will be restarted only after the approval to begin mining at Gatsuurt has been received from the Government of Mongolia.

### Corporate Administration

Corporate and administration expenses for 2011 are forecast at $47 million, which is higher than the prior guidance of $45 million reflecting a stronger Canadian dollar against the U.S. dollar and higher stock-based compensation.

## Taxes

Pursuant to the Restated Investment Agreement, Kumtor's operations are not subject to corporate income taxes. The Agreement replaced the prior tax regime applicable to the Kumtor project with a simplified regime effective January 1, 2008. This simplified regime, which assesses tax at 13% on gross revenue (plus 1% for the Issyk-Kul Oblast Development Fund effective January 2009), was approved and enacted by the Parliament of the Kyrgyz Republic on April 30, 2009.

The corporate income tax rate for Centerra's Mongolian subsidiary, Boroo Gold Company is 25% for taxable income over 3 billion Mongolian tugriks (approximately $2.4 million at the 2010 year-end foreign exchange rate) with a tax rate of 10% for taxable income up to that amount.

Production cost and capital forecasts for 2011 are forward-looking information and are based on key assumptions and subject to material risk factors that could cause actual results to differ materially


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and which are discussed herein under the headings “Material Assumptions” and “Caution Regarding Forward-Looking Information” and under the heading “Risk Factors” in the Company’s most recently filed AIF.

## Sensitivities

Centerra’s revenues, earnings and cash flows for the fourth quarter of 2011 are sensitive to changes in certain variables and the Company has estimated their impact on revenues, net earnings and cash from operations.

| | Change | **Impact on** *($ millions)* | | | |
|---|---|---|---|---|---|
| | | **Costs** | **Revenues** | **Cash flow** | **Earnings before Income tax** |
| Gold Price | **$50/oz** | 1.2 | 7.9 | 6.7 | 6.7 |
| Diesel Fuel [1] | **10%** | 2.8 | - | 2.8 | 2.8 |
| Kyrgyz som | **1 som per USD** | 0.7 | - | 0.7 | 0.7 |
| Mongolian tugrik | **25 tugrik per USD** | 0.1 | - | 0.1 | 0.1 |
| Canadian dollar | **10 cents per USD** | 1.1 | - | 1.1 | 1.1 |

[1] a 10% change in diesel fuel price equals $14/oz produced

### Material Assumptions & Risks

Material assumptions or factors used to forecast production and costs for the fourth quarter of 2011 include the following:

- a gold price of $1,650 per ounce,
- exchange rates:
  - $1USD:$0.98 CAD
  - $1USD:45 Kyrgyz som
  - $1USD:1,200 Mongolian tugriks
  - $1USD:0.74 Euro
- diesel fuel price assumption:
  - $0.78/litre at Kumtor
  - $1.16/litre at Boroo

The assumed average diesel price of $0.78/litre at Kumtor does not include a customs export duty imposed by the Russian authorities on the diesel fuel exported to the Kyrgyz Republic in 2010. Russia imposed a customs duty of approximately $194 per tonne on gasoline and diesel fuel exports to the Kyrgyz Republic that went into effect on April 1, 2010. The customs export duty amounted to approximately $0.18/litre or $212.77 per tonne of diesel fuel. While there were public statements that the export duty had been revoked retroactive to January 1, 2011, Kumtor had to pay the customs export duty on some of its purchases of diesel fuel from Russia during the first quarter of 2011. However, towards the end of the first quarter and throughout the second quarter, the cost of purchases of diesel fuel did not include the export duty. Based on that, Kumtor’s forecast for cash costs has been adjusted to exclude the export duty. Nevertheless, any potential savings from the removal of the customs duty are expected to be fully offset by the increased cost of the diesel fuel as a result of the increase in the price of oil. Should the Russian authorities re-introduce the customs export duty (discussed above) on the diesel fuel exported to the Kyrgyz Republic, the cash costs at

Kumtor would be expected to increase by approximately $4.5 million on forecasted diesel purchases until the end of 2011.

Diesel fuel is sourced from separate Russian suppliers for both sites and only loosely correlates with world oil prices. The diesel fuel price assumptions were made when the price of oil was approximately $85 per barrel.

Other important assumptions include the following:

- any recurrence of political and civil unrest in the Kyrgyz Republic will not impact operations, including movement of people, supplies and gold shipments to and from the Kumtor mine,
- grades and recoveries at Kumtor will remain consistent with the life-of-mine plan to achieve the forecast gold production,
- the dewatering program at Kumtor continues to produce the expected results and the water management system works as planned,
- the remedial plan to deal with the Kumtor waste and ice movement continues to be successful (see "Kumtor Mine – Geotechnical Issues Affecting the Kumtor Open Pit" in the Company's AIF for the year ended December 31, 2010),
- no unplanned delays in or interruption of scheduled production from our mines, including due to civil unrest, natural phenomena, labour, regulatory or political disputes, equipment breakdown or other developmental and operational risks,
- certain issues at Boroo raised by the General Department of Specialized Inspection ("SSIA") concerning state alluvial reserves, the production and sale of gold from the Boroo heap leach facility and other matters will be resolved through negotiation without material adverse impact on the Company, see "Other Corporate Developments - Mongolia",
- no further suspension of Boroo's operating licenses, and
- all necessary permits, licences and approvals are received in a timely manner.

Production and cost forecasts and capital estimates are forward-looking information and are based on key assumptions and subject to material risk factors. If any event arising from these risks occurs, the Company's business, prospects, financial condition, results of operations or cash flows could be adversely affected. Additional risks and uncertainties not currently known to the Company, or that are currently deemed immaterial, may also materially and adversely affect the Company's business operations, prospects, financial condition, and results of operations or cash flows. See the sections entitled "Risk Factors" in the Company's most recently filed AIF, available on SEDAR at www.sedar.com and see also the discussion below under the heading "Cautionary Note Regarding Forward-looking Information".


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**Conversion to IFRS**
As prescribed by the CICA Accounting Standards Board, the Company adopted the requirements of the International Financial Reporting Standards ("IFRS") in its statements of account as of January 1, 2011, including the restatement of its opening balance sheet of January 1, 2010 and its third quarter 2010 comparatives. The restatement of the Company's comparative balances from those previously reported under Canadian GAAP standards to those converted IFRS standards is fully explained and reconciled in note 18 of the Company's September 30, 2011 condensed consolidated interim financial statements as filed on SEDAR. To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine month periods ended September 30, 2011, please visit the following link: [link to be inserted]

## Non-GAAP Measures
This news release presents information about total cash cost of production of an ounce of gold and total production cost per ounce of gold for the operating properties of Centerra. Except as otherwise noted, total cash cost per ounce produced is calculated by dividing total cash costs by gold ounces produced for the relevant period. Total production cost per ounce produced includes total cash cost plus depreciation, depletion and amortization divided by gold ounces produced for the relevant period. Cost of sales per ounce sold is calculated by dividing cost of sales by gold ounces sold for the relevant period. Total cash cost and total production cost per ounce produced, as well as cost of sales per ounce sold, are non-GAAP measures.

Total cash costs include mine operating costs such as mining, processing, administration, royalties and production taxes (except at Kumtor where revenue-based taxes and production taxes are excluded), but exclude amortization, reclamation costs, financing costs, capital development and exploration. Certain amounts of stock-based compensation have been excluded as well. Total production costs includes total cash cost plus depreciation, depletion and amortization. Total cash cost per ounce produced, total production cost per ounce produced and cost of sales per ounce sold have been included because certain investors use this information to assess performance and also to determine the ability of Centerra to generate cash flow for use in investing and other activities. The inclusion of total cash cost per ounce produced and total production cost per ounce produced may enable investors to better understand year-over-year changes in production costs, which in turn affect profitability and cash flow.

| **TOTAL CASH COST & TOTAL PRODUCTION COST RECONCILIATION (unaudited)** | | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|---|
| **($ millions, unless otherwise specified)** | | **2011** | **2010** | **2011** | 2010 |
| ***Centerra:*** | | | | | |
| Cost of sales, as reported | | **$ 110.5** | $ 94.4 | **$ 278.2** | $ 252.6 |
| Less: Non-cash component | | **28.0** | 17.7 | **68.1** | 55.8 |
| Cost of sales - Cash component | | **$ 82.5** | $ 76.7 | **$ 210.1** | $ 196.8 |
| Adjust for: | Refining fees & by-product credits | **(0.8)** | (0.1) | **(3.0)** | 0.1 |
| | Regional Office administration | **5.9** | 6.0 | **16.9** | 16.0 |
| | Mine standby costs | **-** | - | **0.2** | - |
| | Non-operating costs | **(8.4)** | (0.9) | **(14.2)** | (0.8) |
| | Inventory movement | **6.9** | (4.9) | **22.6** | 11.5 |
| Total cash cost - 100% | | **$ 86.1** | $ 76.8 | **$ 232.6** | $ 223.6 |
| Depreciation, Depletion, Amortization and Accretion | | **24.0** | 14.9 | **68.8** | 56.1 |
| Inventory movement - non-cash | | **22.6** | 1.2 | **17.0** | (1.5) |
| Total production cost - 100% | | **$ 132.7** | $ 92.9 | **$ 318.4** | $ 278.2 |
| Ounces poured - 100% (000) | | **154.9** | 96.3 | **490.9** | 429.1 |
| Total cash cost per ounce | | **$ 556** | $ 798 | **$ 474** | $ 521 |
| Total production cost per ounce | | **$ 857** | $ 964 | **$ 649** | $ 648 |
| ***Kumtor:*** | | | | | |
| Cost of sales, as reported | | **$ 94.6** | $ 76.5 | **$ 235.8** | $ 200.3 |
| Less: Non-cash component | | **25.1** | 13.4 | **59.2** | 41.5 |
| Cost of sales - Cash component | | **$ 69.5** | $ 63.1 | **$ 176.6** | $ 158.8 |
| Adjust for: | Refining fees & by-product credits | **(0.8)** | (0.1) | **(3.0)** | - |
| | Regional Office administration | **4.2** | 4.0 | **12.2** | 10.7 |
| | Mine standby costs | **-** | - | **-** | - |
| | Non-operating costs | **(8.4)** | (0.9) | **(14.2)** | (0.8) |
| | Inventory movement | **10.7** | (5.1) | **30.2** | 4.9 |
| Total cash cost - 100% | | **$ 75.2** | $ 61.0 | **$ 201.8** | $ 173.6 |
| Depreciation, Depletion, Amortization and Accretion | | **$ 21.0** | $ 10.9 | **$ 59.7** | $ 41.9 |
| Inventory movement - non-cash | | **$ 23.8** | $ 1.3 | **$ 19.5** | $ (2.9) |
| Total production cost - 100% | | **$ 120.0** | $ 73.2 | **$ 281.0** | $ 212.6 |
| Ounces poured - 100% (000) | | **141.2** | 68.8 | **444.5** | 339.4 |
| Total cash cost per ounce | | **$ 533** | $ 887 | **$ 454** | $ 512 |
| Total production cost per ounce | | **$ 850** | $ 1,064 | **$ 632** | $ 626 |
| ***Boroo:*** | | | | | |
| Cost of sales (cash), as reported | | **$ 15.9** | $ 17.9 | **$ 42.4** | $ 52.3 |
| Less: Non-cash component | | **2.9** | 4.3 | **8.9** | 14.3 |
| Cost of sales - Cash component | | **$ 13.0** | $ 13.6 | **$ 33.5** | $ 38.0 |
| Adjust for: | Refining fees & by-product credits | **-** | - | **-** | 0.1 |
| | Regional Office administration | **1.7** | 2.0 | **4.7** | 5.3 |
| | Mine standby costs | **-** | - | **0.2** | |
| | Non-operating costs | | | | |
| | Inventory movement | **(3.8)** | 0.2 | **(7.6)** | 6.6 |
| Total cash cost - 100% | | **$ 10.9** | $ 15.8 | **$ 30.8** | $ 50.0 |
| Depreciation, Depletion, Amortization and Accretion | | **$ 3.0** | 4.0 | **9.1** | 14.2 |
| Inventory movement - non-cash | | **$ (1.2)** | (0.1) | **$ (2.5)** | 1.4 |
| Total production cost - 100% | | **$ 12.7** | $ 19.7 | **$ 37.4** | $ 65.6 |
| Ounces poured - 100% (000) | | **13.7** | 27.5 | **46.4** | 89.7 |
| Total cash cost per ounce | | **$ 798** | $ 575 | **$ 664** | $ 558 |
| Total production cost per ounce | | **$ 927** | $ 715 | **$ 807** | $ 732 |

**Centerra Gold Inc.**
**Condensed Consolidated Statement of Financial Position**
(Unaudited)

| (Expressed in Thousands of United States Dollars) | **September 30 2011** | December 31 2010 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | **$ 271,696** | $ 330,737 |
| Short-term investments | **265,696** | 82,278 |
| Restricted cash | **198** | 795 |
| Amounts receivable | **53,756** | 100,562 |
| Inventories | **243,426** | 181,633 |
| Prepaid expenses | **22,166** | 22,221 |
| | **856,938** | 718,226 |
| Property, plant and equipment | **582,782** | 519,019 |
| Goodwill | **129,705** | 129,705 |
| Long-term receivables and other | **27,332** | 17,299 |
| Long-term inventories | **12,174** | 12,877 |
| Deferred income tax asset | **-** | 3,367 |
| | **751,993** | 682,267 |
| **Total assets** | **$ 1,608,931** | $ 1,400,493 |
| **Liabilities and Shareholders' Equity** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | **$ 73,428** | $ 70,909 |
| Taxes payable | **19,643** | 27,354 |
| Current portion of provisions | **21,073** | 9,553 |
| | **114,144** | 107,816 |
| Provisions | **34,773** | 30,880 |
| Deferred income tax liability | **1,770** | - |
| | **36,543** | 30,880 |
| **Shareholders' equity** | | |
| Share capital | **659,656** | 655,178 |
| Contributed surplus | **33,652** | 33,827 |
| Retained earnings | **764,936** | 572,792 |
| | **1,458,244** | 1,261,797 |
| **Total liabilities and shareholders' equity** | **$ 1,608,931** | $ 1,400,493 |

**Centerra Gold Inc.**

**Condensed Consolidated Statements of Earnings and Comprehensive Income**

**(Unaudited)**

| | Three months ended | | Nine months ended | |
|---|---|---|---|---|
| | **September 30 2011** | September 30 2010 | **September 30 2011** | September 30 2010 |
| **(Expressed in Thousands of United States Dollars, except per share amounts)** | | | | |
| **Revenue from Gold Sales** | **$ 278,395** | $ 119,870 | **$ 772,382** | $ 527,528 |
| Cost of sales | **110,506** | 94,448 | **278,212** | 252,579 |
| Mine standby costs | **48** | - | **212** | - |
| Regional office administration | **5,925** | 6,108 | **16,969** | 16,025 |
| **Earnings from mine operations** | **161,916** | 19,314 | **476,989** | 258,924 |
| Revenue-based taxes | **35,039** | 11,510 | **98,193** | 58,145 |
| Other operating expenses | **10,000** | - | **10,000** | - |
| Exploration and business development | **11,862** | 8,045 | **31,825** | 20,701 |
| Corporate administration | **14,388** | 16,407 | **34,623** | 33,616 |
| **Earnings from operations** | **90,627** | (16,648) | **302,348** | 146,462 |
| Other (income) and expenses | **2,942** | (1,746) | **622** | 380 |
| Finance costs | **1,414** | 393 | **3,024** | 1,027 |
| Gain on sale of REN property | **-** | (34,866) | **-** | (34,866) |
| **Earnings before income taxes** | **86,271** | 19,571 | **298,702** | 179,921 |
| Income tax expense | **2,545** | 2,635 | **7,236** | 8,389 |
| **Net earnings and comprehensive income** | **$ 83,726** | $ 16,936 | **$ 291,466** | $ 171,532 |
| **Basic and diluted earnings per common share** | **$ 0.35** | $ 0.07 | **$ 1.23** | $ 0.73 |

**Centerra Gold Inc.**
**Condensed Consolidated Statements of Cash Flows**
**(Unaudited)**

| | | Three months ended | | | Nine months ended | |
|---|---|---|---|---|---|---|
| | | **September 30 2011** | September 30 2010 | | **September 30 2011** | September 30 2010 |
| **(Expressed in Thousands of United States Dollars)** | | | | | | |
| **Operating activities** | | | | | | |
| Net earnings | **$** | **83,726** | $ 16,936 | **$** | **291,466** | $ 171,532 |
| Items not requiring (providing) cash: | | | | | | |
| Depreciation, depletion and amortization | | **28,095** | 17,845 | | **68,474** | 56,294 |
| Finance costs | | **1,414** | 393 | | **3,024** | 1,027 |
| Loss on disposal of plant and equipment | | **813** | 376 | | **922** | 1,366 |
| Gain on disposal of REN property | | **-** | (34,866) | | **-** | (34,866) |
| Stock - based compensation expense | | **475** | 196 | | **1,276** | 825 |
| Change in long-term inventory | | **(248)** | (4,741) | | **703** | (7,188) |
| Long-term other assets | | **(2,099)** | (10,989) | | **(7,452)** | (11,981) |
| Change in provisions | | **6,697** | - | | **12,481** | - |
| Income tax expense | | **2,545** | 2,635 | | **7,236** | 8,389 |
| Other operating items | | **(2,433)** | (498) | | **(2,182)** | (1,027) |
| | | **118,985** | (12,713) | | **375,948** | 184,371 |
| Change in operating working capital | | **(6,776)** | (3,246) | | **(3,590)** | (27,847) |
| Income tax recovery (paid) | | **(6,094)** | (3,277) | | **(5,202)** | (16,933) |
| **Cash provided by operations** | | **106,115** | (19,236) | | **367,156** | 139,591 |
| **Investing activities** | | | | | | |
| Net movement in restricted cash | | **-** | - | | **(597)** | - |
| Additions to property, plant and equipment | | **(35,180)** | (70,894) | | **(145,322)** | (149,101) |
| Net purchase of short-term investments | | **(57,364)** | 108,412 | | **(183,418)** | 93,716 |
| Advance for long-term assets | | **-** | - | | **-** | (5,152) |
| Proceeds from disposition of REN property | | **-** | 34,866 | | **-** | 34,866 |
| Proceeds from disposition of fixed assets | | **8** | - | | **8** | 44 |
| **Cash used in investing** | | **(92,536)** | 72,384 | | **(329,329)** | (25,627) |
| **Financing activities** | | | | | | |
| Dividends paid | | **-** | (13,620) | | **(99,322)** | (13,620) |
| Revolver credit facility fees | | **63** | (85) | | **(573)** | (102) |
| Proceeds from common shares issued for cash | | **1,679** | 3,780 | | **3,027** | 5,257 |
| **Cash (used in) provided by financing** | | **1,742** | (9,925) | | **(96,868)** | (8,465) |
| (Decrease) Increase in cash during the period | | **15,321** | 43,223 | | **(59,041)** | 105,499 |
| Cash and cash equivalents at beginning of the period | | **256,375** | 239,180 | | **330,737** | 176,904 |
| **Cash and cash equivalents at end of the Period** | **$** | **271,696** | $ 282,403 | **$** | **271,696** | $ 282,403 |
| ***Cash and cash equivalents consist of:*** | | | | | | |
| Cash | **$** | **86,748** | $ 36,144 | **$** | **86,748** | $ 36,144 |
| Cash equivalents | | **184,948** | 246,259 | | **184,948** | 246,259 |
| | **$** | **271,696** | $ 282,403 | **$** | **271,696** | $ 282,403 |

**Centerra Gold Inc.**
**Condensed Consolidated Statements of Changes in Shareholders' Equity**
**(Unaudited)**

**(Expressed in Thousands of United States Dollars, except share information)**

| | Number of Common Shares | | Amount | | Contributed Surplus | | Retained Earnings | | Total |
|---|---|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2010** | 234,857,228 | $ | 646,081 | $ | 35,376 | $ | 264,121 | $ | 945,578 |
| Stock-based compensation expense | - | | - | | 825 | | - | | 825 |
| Shares issued on exercised of stock options | 898,260 | | 7,460 | | (2,203) | | - | | 5,257 |
| Dividend paid | - | | - | | - | | (13,620) | | (13,620) |
| Net earnings for the period | - | | - | | - | | 171,532 | | 171,532 |
| **Balance at September 30, 2010** | 235,755,488 | $ | 653,541 | $ | 33,998 | $ | 422,033 | $ | 1,109,572 |
| **Balance at January 1, 2011** | 235,869,397 | $ | 655,178 | $ | 33,827 | $ | 572,792 | $ | 1,261,797 |
| Stock-based compensation expense | - | | - | | 1,276 | | - | | 1,276 |
| Shares issued on exercised of stock options | 438,136 | | 4,478 | | (1,451) | | - | | 3,027 |
| Dividend paid | - | | - | | - | | (99,322) | | (99,322) |
| Net earnings for the period | - | | - | | - | | 291,466 | | 291,466 |
| **Balance at September 30, 2011** | 236,307,533 | $ | 659,656 | $ | 33,652 | $ | 764,936 | $ | 1,458,244 |


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**Qualified Person**

The new drilling results in this news release and on Centerra's website and the other scientific and technical information in this news release were 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 were reviewed, verified and compiled by Centerra's geological and mining staff under the supervision of Ian Atkinson, Certified Professional Geologist, Centerra's Senior Vice-President, Global Exploration, who is the qualified person for the purpose of NI 43-101.

The Kumtor deposit is described in Centerra's most recently filed Annual Information Form (the "AIF") and a technical report dated March 22, 2011 prepared in accordance with NI 43-101. The AIF and technical report have been filed on SEDAR at www.sedar.com. The 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 are described in the technical report.

**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 the impact of the Water and Forest Law on the Company's Mongolian operations and the potential need to write off the Company's investments in Gatsuurt and Boroo or reclassify mineral reserves if the Water and Forest Law is not repealed or amended, the timing of the discussion of the Water and Forest Law amendment in the Mongolian Parliament, the application of the Graduated Royalty Fee on the Company's Boroo operations, 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 (including the ATO (Altan Tsagaan Ovoo) deposit) and the success of exploration activities), outcome of litigation involving Centerra, the timing for completing an update of Boroo's closure study, the payment schedule for the balance of funds owed to the Kyrgyz Republic Social Fund and the discussion under the heading "Outlook for 2011", including the forecasted gold production and cash costs, exploration expenditures and exploration plans.

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.

Material assumptions used to forecast production and costs include those described under the heading "Outlook for 2011". Other 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 and Mongolia; the impact of changes in, or more oppressive enforcement of, laws, regulations and government practices in the jurisdictions in which the Company operates; the effect of the November 2010 amendments to the 2006 Mongolian Minerals Law on the royalty payments payable in connection with the Company's Mongolian operations; the effect of the Water and Forest Law on the Company's operations in Mongolia; the impact of continued scrutiny from Mongolian regulatory authorities; 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; the Company's ability to successfully negotiate an investment agreement for the Gatsuurt development property to complete the development of the mine and the Company's ability to obtain all necessary permits and commissions needed to commence mining activity at the Gatsuurt development property; seismic activity in the vicinity of the Company's operations in the Kyrgyz Republic and Mongolia; long lead times required for equipment and supplies given the remote location of the Company's properties; illegal mining on the Company's Mongolian 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, Kyrgyzaltyn JSC; 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 Annual Information Form 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 November 3, 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 headquartered in Toronto, Canada.

**Conference Call**

Centerra invites you to join its 2011 third quarter conference call on Friday, November 4, 2011 at 11:00am Eastern Time. The call is open to all investors and the media. To join the call, please dial toll-free in North America (800) 268-2160 or International participants dial +1 (416) 981-9093. Alternatively, an audio feed web cast will be available on www.centerragold.com. A recording of the call will be available on www.centerragold.com shortly after the call and via telephone until midnight on Friday November 11, 2011 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21539367.

**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.

**To view the Management's Discussion and Analysis and the Financial Statements and Notes for the three and nine month periods ended September 30, 2011, please visit the following link:**
http://media3.marketwire.com/docs/2011CG+MDA+FS.pdf

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