

centerra**GOLD**



NEWS RELEASE

Centerra Hosts visit by Kyrgyz Prime Minister to Kumtor Mine

This news release contains forward-looking information that is subject to the risk factors and assumptions set out in our Cautionary Note Regarding Forward-looking Information on page 2.

Toronto, Canada, July 6, 2012: Centerra Gold Inc. (TSX: CG) today hosted a visit by Kyrgyz Prime Minister Babanov to the Kumtor mine, including a tour of the mine and mill facilities. This was the Prime Minister's first visit to the project and he was joined by members of the State Commission recently established by the Government following a Parliamentary report and resolution relating to Kumtor.

Kumtor management and Ian Atkinson, Centerra's President and Chief Executive Officer, accompanied the Prime Minister on the tour. Following the tour the Prime Minister indicated his desire for Kumtor and the Company to work together with the State Commission and Government to address the environmental matters raised in the parliamentary report and the other issues identified in the resolution.

The Prime Minister also provided clarification regarding a Governmental decree issued yesterday cancelling a prior decree granting Kumtor certain surface rights in relation to the project. He confirmed the Government's position that yesterday's action to cancel the prior decree would have no impact on or limit in any way Kumtor's activities or operations.

In 2009, Centerra, Kumtor Gold Company and the Kyrgyz Republic signed comprehensive agreements governing all aspects of the project (the New Agreements). The New Agreements were approved by all relevant Kyrgyz governmental authorities, including the Kyrgyz Parliament and the Constitutional Court, and form a solid foundation for the successful operation of the Kumtor project. All disputes in relation to the New Agreements are subject to international arbitration.

Kumtor is a significant employer and tax-payer in the Kyrgyz Republic and a key contributor to the Kyrgyz economy. The Company has benefited from a close and constructive dialogue with the Kyrgyz authorities over many years and remains committed to continuing to work with them to resolve any issues in accordance the New Agreements

About Centerra

Centerra Gold Inc. is a gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union and other emerging markets

worldwide. Centerra is the largest Western-based gold producer in Central Asia. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Ontario, Canada.

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

Cautionary Note Regarding Forward-looking Information

Information contained in this news release which is not statements of historical facts, and the documents incorporated by reference herein, may be "forward looking information" for the purposes of Canadian securities laws. Such forward looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words "believe", "expect", "anticipate", "contemplate", "target", "plan", "intends", "continue", "budget", "estimate", "may", "will", "schedule" and similar expressions identify forward-looking information. These forward-looking statements relate to, among other things, the outcome of discussions with the State Commission and Government on the parliamentary report and resolution, and the impact of the recent governmental decree on Kumtor's operations.

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; the impact of changes in, or to the more aggressive enforcement of, laws, regulations and government practices in the jurisdictions in which Centerra operates, 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 July 6, 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.

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