

centerra**GOLD**



NEWS RELEASE

Centerra Gold Reports the Resumption of Milling Activities at its Kumtor Mine Site Following Planned Shutdown

Toronto, Canada, September 20, 2012: Centerra Gold Inc. (TSX: CG) announced today that the mill at the Kumtor mine resumed operation on September 18, 2012 following a planned seven-week shutdown. Ore processing was suspended on July 23rd, 2012 following depletion of the low-grade surface stockpile material, as outlined in the March 2012 revised mine plan. The period during which the mill was not in operation was used to carry out planned and unplanned mill maintenance across all sections of the mill.

The Company is now mining ore from the southwest portion of the central pit as per the schedule of the March 2012 revised mine plan, and expects to produce between 260,000 and 270,000 ounces of gold in the fourth quarter of 2012.

Ian Atkinson, President and CEO of Centerra Gold stated, “As we previously disclosed, our plan was to be in ore mid-September and restart the mill once ore became available to be processed. Over the balance of the year the ore release from this area of the open pit will enable us to run the mill at full capacity while re-establishing our stockpiles.”

Achieving the projected gold production is dependent upon, among other things, there being no unplanned delays in or interruption of the scheduled production, including due to labour disruptions, unanticipated ice and waste movement in the Kumtor pit or other natural phenomena, regulatory and political risks, governmental actions, equipment breakdown or other development and operational risks. See also “Cautionary Note Regarding Forward-looking Information” below.

About Centerra

Centerra is a gold mining company focused on operating, developing, exploring and acquiring gold properties primarily in Asia, the former Soviet Union and other emerging markets worldwide. Centerra is a leading North American-based gold producer and is the largest Western-based gold producer in Central Asia. Centerra’s shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is headquartered in Toronto, Ontario, Canada.

Cautionary Note Regarding Forward-looking Information

Information contained in this news release which is not a statement of historical facts, may be “forward looking information” for the purposes of Canadian securities laws. Such forward looking information involves risks, uncertainties and other factors that could cause actual results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward looking information. The words “expect”, “plan”, “continue”, “will”, and similar expressions identify forward looking information. These forward looking statements include, but are not limited to, Centerra’s expectations regarding production from the Kumtor mine in the fourth quarter of 2012.

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, technical, operational, 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 operations in the Kyrgyz Republic; the Company's ability to successfully manage the ice and waste movement at Kumtor and to access reserves in the southwest portion of the Kumtor pit; the outcome of the review by the State Commission and interagency commissions on Kumtor's compliance with Kyrgyz operational and environmental laws and regulations and community standards, and other matters raised by the Kyrgyz Republic parliamentary commission report dated June 18, 2012 and parliamentary resolution 2117-V dated June 27, 2012, including without limitation, the resolution of land-use matters affecting the Kumtor project and the continued effectiveness of the Restated Project Agreements governing the Kumtor project; risks associated with renegotiating a collective agreement for Kumtor's unionized employees and the possibility of labour unrest or other labour disturbances; and such other factors as described under the heading "Risk Factors" in Centerra's annual information form for the year ended December 31, 2011 and the factors described in Centerra's news release dated August 1, 2012 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 September 20, 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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Additional information on Centerra is available on the Company's web site at www.centerragold.com and at SEDAR at www.sedar.com.

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