



centerraGOLD



RESULTS

of the 1st quarter of 2012

- DURING THE FIRST THREE MONTHS OF 2012 KUMTOR PRODUCED 1,888 KG OF GOLD.
- THE COMPANY HAS CONTRIBUTED MORE THAN 1 BILLION 370 MILLION SOMS IN TAXES AND MANDATORY PAYMENTS.

The Kumtor open pit mine, located in the Kyrgyz Republic, is the largest gold mine in Central Asia operated by a Western-based producer. It has been operating since May 1997 and, as of March 31, 2012, has produced approximately 8.4 million ounces or about 262.6 tonnes of gold.

Kumtor Operating Company is the operator of the Kumtor project responsible for the entire production cycle.

Centerra Gold Inc. is a growth-oriented North American gold producer and 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, Canada. In addition to the Kyrgyz Republic owning approximately 33% of shares via Kyrgyzaltyn JSC, Centerra has other shareholders, including major investment funds in the USA, Britain, Canada as well as minor European and North American investors

Currently Centerra has two producing gold mines in the Kyrgyz Republic and in Mongolia.

It also has interests in promising exploration properties located in Mongolia, Turkey, China and the Russian Federation.

The Kyrgyz Republic, via Kyrgyzaltyn JSC, is Centerra's largest shareholder owning 77,401,766 shares (about 33%).

BASIC OPERATING AND FINANCIAL RESULTS

Three Months Ended March 31

	2012	2011	Change
Gold produced – ounces ¹	60,707	164,167	(63%)
Gold produced - kg	1,888.2	5,106.16	(63%)
Gold sold - ounces	62,196	166,145	(63%)
Gold sold - kg	1,934.51	5,167.69	(63%)
Average realized gold price – \$/oz	1,732	1,384	25%
Revenue from gold sales to Kyrgyzaltyn - \$ millions ²	107.7	229.9	(53%)
Total production cost (with depletion and amortization) - \$ millions	73.0	71.3	2%
Revenue-based tax + Issyk-Kul Development Fund - \$ millions	22.0	48.2	(54%)
Capital expenditures - \$ millions	125.0	71.9	74%
Exploration expenditures - \$ millions	2.2	4.1	(46%)
Tonnes mined - 000s	30,746	36,508	(16%)
Tonnes ore mined - 000s	63	588	(89%)
Tonnes milled - 000s	1,252	1,391	(10%)
Average mill head grade - g/t	1.98	4.12	(52%)
Recovery - %	72.6	82.6	(12%)

¹ One Troy ounce equals to 31,10348 grammes.

² Unless specified otherwise, all dollar figures in this news release are in US dollars.

AS OF MAY 30, 2012, KYRGYZSTAN'S INTERESTS ARE ESTIMATED AT MORE THAN \$ 815 MILLION.

CHANGES IN COMPANY MANAGEMENT:

- On May 2, 2012, Michael Fischer was appointed as the President of Kumtor Operating Company;
- On May 17, 2012 after the annual meeting of shareholders Mr. Stephen Lang stepped down as Centerra's President to replace Mr. Patrick James as the Chair of the Board;
- Mr. Ian Atkinson became Centerra's new President and CEO.

OUTLOOK FOR 2012

Under the revised mine plan at Kumtor, the Company's 2012 gold production forecast for Kumtor is 390,000 to 410,000 ounces or 12.13 – 12.75 tonnes. The major portion of the gold production plan is forecasted to the fourth quarter of 2012.

In 2012, the Company is going to accelerate mining in the southwest portion of the Kumtor pit to access part of the new reserves.

Production at Kumtor in the next two years is dependent on successfully maintaining the mining rates of the waste and ice in the southeast section of the pit and stability in the work of the mine. Strict adherence to the revised mine plan is expected to lead to a gradual increase in gold production within the next three years.

2012 total capital expenditures at Kumtor are forecast to be \$370 million

Planned exploration expenditures in 2012 are expected to be \$15 million.

Gold produced by the Kumtor mine is purchased at the mine site by Kyrgyzaltyn JSC for processing at its refinery in the Kyrgyz Republic pursuant to a Gold and Silver Sales Agreement signed by KOC, Kyrgyzaltyn and the Government of the Kyrgyz Republic. Kyrgyzaltyn JSC enjoys the exclusive right to sell refined gold and silver both in and outside the Kyrgyz Republic.

Additional information on Centerra and the full text of the news release on the results of the first quarter of 2012 are available on SEDAR at www.sedar.com and the Company's website at www.centerragold.com. Information about Kumtor Operating Company is available at www.kumtor.kg

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OTHER CORPORATE DEVELOPMENTS:

- An Information Bureau was opened in March 2012, on the territory of the Marshalling Yard for the residents of Balykchy;
- In April 2012 Company received the certificate on Compliance with the International Cyanide Management Code from the International Cyanide Management Institute, confirming that Company's operations with cyanide and its transportation are in full compliance with the Code;
- On the basis of Agreement with the Kyrgyz Government, Company has allocated \$21 million (on a grant basis) to the microcredit agency "Ala-Too Finance" in April to provide financing for small sustainable development projects throughout the country;
- In May 2012, Company made an advance payment of Tax on Gross Revenue in the amount of US \$30 million to the budget of the Kyrgyz Republic. It will be regarded as paid by installments at the end of 2012 and throughout 2013.

KUMTOR GOLD PROJECT'S CONTRIBUTIONS IN TAXES AND MANDATORY PAYMENTS FOR THE FIRST THREE MONTHS OF 2012

As of March 31, 2012	USD thousands
Revenue-based tax	20,285.6
Issyk-Kul Development Fund	1,714.3
Pollution tax	310.0
Income tax	1,314.6
Social Insurance Fund	5,204.8
Customs	251.0
Tax on nonresident companies	109.2
Other taxes and mandatory payments	104.2
Total	29,293.6
US\$ official exchange rate to the Kyrgyz Soms as of March 31, 2012	46.8275
Equivalent of payments effected in million Kyrgyz Soms	1,371.748

Note: Under the Agreement on New Terms of April 24, 2009, the revenue-based tax and contributions to the Issyk-Kul Development Fund are estimated based on actual cash revenues from sales during the specified period.

