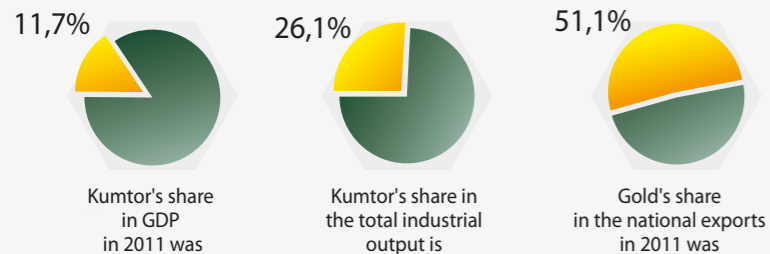


KUMTOR GOLD PROJECT'S PAYMENTS MADE WITHIN THE KYRGYZ REPUBLIC

	USD millions	2011	1994 – 2011
Taxes, customs & other mandatory payments		138.394	524.259
Social Insurance Fund		24.269	72.476
Issyk-Kul Development Fund		10.790	23.036
Licenses & permits		0.280	2.019
Pollution tax and payments to the Environment Protection Agency		0.310	3.439
Payments to Kyrgyzzaltyn		0.607	11.421
Refinery		2.947	34.197
Dividends		30.167	44.413
Revenue from the sale of Centerra shares		-	86.000
Purchases in the Kyrgyz Republic:			
- supplies & services		79.953	482.836
- foods		4.949	41.193
Kyrgyz-infrastructure-related payments:			
- electricity		12.429	108.399
-roads outside the mine site		1.559	33.802
- Tamga-Kumtor power-transmission line		-	41.612
KOC employees' net wage		64.793	312.076
Sanatoria treatment		0.120	0.608
Education, scholarships & training		0.109	3.765
Sponsorships & charities		1.211	9.866
Government contributions		10.000	10.000
Region's Sustainable Development Program		0.286	2.205
Payments to communities		-	4.400
Total		383.172	1,852.023

THE COMPANY'S IMPACT ON THE MACROECONOMIC CHARACTERISTIC OF THE KYRGYZ REPUBLIC

According to preliminary reports of the National Statistics Committee of the Kyrgyz Republic:



OUTLOOK FOR 2012

Increased ice and rock movement in the southeast section of the pit resulted in a reduction of production at Kumtor mine in 2012. Preliminary engineering analysis now indicates production of 390,000 to 410,000 ounces or 12.13 -12.75 tons of gold in 2012.

The movement of ice will delay mining operations in the south-eastern part of the pit from late 2012 until the end of 2013, which in turn will lead to the delay of gaining access to the higher grade ore in the SB zone, previously planned for September 2012, to 2013-2015.

The Company expects to partially mitigate the impact of the movement by accelerating mining in the south-west portion of the Kumtor pit to access part of the new reserves in September 2012.



The full text of the news release on the 2011 results is available on SEDAR at www.sedar.com and the Centerra's website at www.centerragold.com. Additional information about Kumtor is available on the corporate website www.kumtor.kg

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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 December 31, 2011, has produced approximately 8.4 million ounces or 260.7 tonnes of gold.

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

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 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. Along with Kyrgyz Republic, Centerra's shareholders list contains major investment funds of USA, Great Britain, Canada, as well as investors from Europe and North America.

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

Currently, Centerra has two producing gold mines located in the Kyrgyz Republic and Mongolia. Also, the company has interests in promising exploration properties located in Mongolia, Turkey, China and Russian Federation.

On March 2, 2012,
Michael Fisher
was appointed as President
of the Company.



As of March 1, 2012, Kyrgyzstan's interests in Centerra are estimated at more than

\$1.546 billion



RESULTS of year 2011

- **18.1 TONS OF GOLD** PRODUCED
- CAPITAL EXPENDITURES AMOUNTED TO **\$180.7 MILLION**.
- EXPLORATION COSTS AMOUNTED TO **\$12.7 MILLION**
- TAX AND OTHER PAYMENTS HAVE EXCEEDED **\$173.7 MILLION** OR MORE THAN **8 BILLION SOMS**.
- DURING THE PERIOD BETWEEN 1994 AND 2011, KUMTOR PROJECT'S PAYMENTS WITHIN THE KYRGYZ REPUBLIC HAVE EXCEEDED **\$1 BILLION 852 MILLION**.



KUMTOR GOLD PROJECT'S CONTRIBUTIONS IN TAXES AND MANDATORY PAYMENTS FOR THE FULL YEAR 2011

As of December 31, 2011 USD thousands*

Revenue-based tax	131,271.0
Issyk-Kul Development Fund	10,790.1
Pollution tax	310.0
Income tax	5,022.2
Social Insurance Fund	24,268.8
Customs	1,080.7
Tax on nonresident companies	950.3
Other taxes and mandatory payments	69.5
Total	173,762.7
Equivalent of payments effected in million Kyrgyz Soms	8,077.308

US\$ official exchange rate to the Kyrgyz Soms as of December 31, 2010 – 46.4847

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

In May 2011 "Kyrgyzaltyn" JSC received net revenue of \$30.2 million



ISSYK-KUL REGION DEVELOPMENT FUND

In 2011, Kumtor Operating Company contributed more than 500 million soms to the Issyk-Kul Region Development Fund. Total of 304 projects were sponsored in 2011 according to the Fund. The funds were invested in the construction and repair of buildings of education and healthcare, as well as in purchase of agricultural machinery and reconstruction of the regional infrastructure.

In 2011, the Fund has allocated more than 60 million soms for the construction of schools in villages of Barskoon, Saruu, Jeti-Oguz, and Svetlaya Polyana in Jeti-Oguz district, and in the villages of Kyzyl-Tuu and Bar-Bulak in Ton district.

More than 7 million soms were allocated by the Fund for overhaul of kindergarten in Baltabay village of Jeti-Oguz district and Bakyt kindergarten in Balykchy.

About 5 million soms were allocated for the repair of the building of the regional hospital.

More than 10 million soms were received by the Ak-Suu rehabilitation center for the reconstruction.

11 million soms were allocated for the reconstruction of the Gagarin's street in Balykchy.

Agricultural machinery purchased by the region amounted in 19 million soms.

The list of projects of Issyk-Kul Region Development Fund is available on the corporate website www.kumtor.kg



STAFF

As of January 1, 2012, Kumtor Operating Company employed

2 710 FULL-TIME STAFF

 Kyrgyz citizens **2 573**

 expat staff **137**

The number of contract staff employed at Kumtor **640**

TOTAL: **3 350**

SOCIAL RESPONSIBILITY

In addition to the funds deducted from the budget of the Issyk-Kul Region Development Fund, Kumtor Operating Company, as a socially-oriented company supports charity and investment projects and provides sponsorship to the region where the company operates and where most of its employees live.

SOCIAL PROJECTS:

- By the request of the Government of the Kyrgyz Republic, Kumtor Operating Company contributed \$10 million for the construction and renovation of schools of Kyrgyzstan.
- Diagnostic center in the village of Barskoon of Jeti-Oguz district received 675,000 soms.
- 13 million soms were spent on the construction of the mudslide protection levees in Balykchy.
- The works of the Company to restore the irrigation channel in Tamga and Barskoon villages are estimated at 3.7 million soms.
- The company has purchased the slate for the restoration of roofs of five schools and a kindergarten, suffered from the hurricane wind in Balykchy.

SUSTAINABLE DEVELOPMENT PROJECTS:

- Fruit processing plant "Jelden-Ata" received 7 million 300 thousand soms, and in August-October of 2011 purchased fruits from residents of Jeti-Oguz and Ton districts.
- Loan portfolio of Microcredit Agency "Jeti-Oguz" in Tamga village was enlarged for 9 million 479 thousand soms. More than 27 million soms by 10-12% per annum were issued to borrowers.
- Microcredit line of "Aiyl Bank" continued its work in Ton district. Loan portfolio of the project amounted in 7 million soms.
- Credit portfolio of a new Microcredit Agency "Ton-Finance", opened in Bokonbaevo village, is about 14 million soms. Eurasia Foundation of Central Asia helps borrowers to fill in applications for loans.
- Nine projects launched in consultation with the UN Women Foundation continue their work on the southern shore of Issyk-Kul, among the largest - two wool-carding plants, information center for tourists, a playground for children with special needs. The total budget of nine supported projects amounted at about 6 million soms.

BASIC OPERATING AND FINANCIAL RESULTS

Year Ended December 31

	2011	2010	Change
Gold produced (ounces)*	583,156	567,802	3%
Gold produced (kg)	18,138.2	17,660.6	3%
Gold sold (ounces)	599,494	568,390	5%
Gold sold (kg)	18,646.4	17,678.9	5%
Average realized gold price (\$/oz)	1,570	1,239	27%
Revenue from gold sales to Kyrgyzaltyn* (\$ millions)	941.1	704.3	34%
Total production cost (with depletion and amortization) (\$ millions)	392.1	291.1	35%
Revenue-based tax + Issyk-Kul Development Fund (\$ millions)	142.1	102.5	39%
Capital expenditures (\$ millions)	180.7	186.5	(3%)
Exploration expenditures (\$ millions)	12.7	11.5	10%
Tonnes mined (000s)	150,605	116,466	29%
Tonnes ore mined (000s)	6,020	5,765	4%
Tonnes milled (000s)	5,815	5,594	4%
Average mill head grade (g/t)	3.79	4.02	(6%)
Recovery (%)	80.8	79.5	2%

* One Troy ounce equals to 31.10348 grams.

* Gold, produced by Kumtor mine, is purchased 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.

REGIONAL INFORMATION CENTER

Regional Information Center of "Kumtor Operating Company" for the residents of Jets-Oguz and Ton districts was opened in December 2011 in Barskoon village of Jeti-Oguz district.

