

centerra**GOLD**



NEWS RELEASE

Centerra Gold Reports 2009 Results; Fourth Quarter Earnings of \$0.60 per share Increased Gold Reserves by 26% to 7.3 million Contained Ounces

(This news release contains forward-looking information that is subject to the risk factors and assumptions set out on page 17 and in our Cautionary Note Regarding Forward-looking Information on page 26. All figures are in United States dollars.)

Toronto, Canada, February 23, 2010: Centerra Gold Inc. (TSX: CG) today reported quarterly net earnings of \$140.0 million or \$0.60 per common share based on revenues of \$323.9 million. This compares to earnings of \$61.4 million or \$0.28 per common share before an impairment charge of \$18.8 million on revenues of \$241.3 million in the same quarter of last year. After the impairment charge to write-down the goodwill in the Mongolian operating unit to fair value, the net earnings for the fourth quarter of 2008 were \$42.6 million or \$0.20 per common share.

Centerra's consolidated gold production for the fourth quarter of 2009 totaled 296,048 ounces at a total cash cost of \$276 per ounce compared to 284,045 ounces at a total cash cost of \$316 per ounce in the corresponding quarter of 2008. The increase in gold production was the result of higher gold production at both of the Company's operations primarily due to the processing of higher grade material along with achieving higher recoveries. (Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measures" in this news release.)

Cash provided by operations in the fourth quarter, net of working capital changes and other operating items was \$188.6 million compared to \$103.3 million in the fourth quarter of 2008. The increase reflects the higher gold sales as a result of the higher average realized price of gold (\$1,129 per ounce) in the fourth quarter of 2009.

2009 Fourth Quarter Highlights

- Proven and probable mineral reserves increased 26% to 7.3 million contained ounces of gold as a result of reserve increases at Kumtor and Gatsurt. This represents an increase of 2.4 million ounces before accounting for production of 930,000 ounces of contained gold.
- Before accounting for annual production, added 2.1 million ounces of proven and probable mineral reserves at Kumtor which will extend Kumtor's mine life to 2019. Includes the previously announced 1.3 million ounce increase at October 31, 2009.

- Record fourth quarter gold production at Kumtor of 247,095 ounces at total cash costs of \$245 per ounce.
- Fourth quarter revenue increased 104% over the third quarter to \$324 million.
- Cash provided by operations of \$189 million or \$0.80 per share for the fourth quarter.
- Successfully completed secondary offering of 88,618,472 Centerra common shares held by Cameco Corporation, which were sold to the public at C\$10.25 per share. With the transfer by Cameco of 25,300,000 common shares to Kyrgyzaltyn JSC, Cameco has now disposed of all of its holdings in Centerra.
- Expanded the Board of Directors to eleven members, and appointed John W. Lill, Aleksei A. Eliseev and Iurii I. Kosvin to the Board.
- Cash and short-term investments of \$323 million as at December 31, 2009 compared to \$167 million a year earlier and the Company continues to have no debt outstanding.

Commentary

Stephen Lang, President and CEO of Centerra Gold commented, “The fourth quarter was an eventful quarter for the Company. Our proven and probable reserves increased 26% to 7.3 million ounces, Kumtor set a new quarterly gold production record, we added reserves at Kumtor, extending the open pit mine life to 2019 and Cameco sold its block of stock and transferred the 25.3 million Centerra shares to the Kyrgyz Government, who now is Centerra’s largest shareholder holding 33% of the common shares. Our operations generated strong cash flow during the quarter of \$188.6 million and Centerra ended the year with a balance sheet that includes \$323 million in cash and short-term investments and no debt outstanding.”

“For 2010, consolidated gold production is expected to be in the 640,000 to 700,000 ounce range and total cash costs are expected in the \$460 to \$505 per ounce range. The production profile at Kumtor will be somewhat similar to 2009 with 43% of its gold production expected in the fourth quarter, but this year we expect a stronger first quarter at Kumtor with 28% of its annual production to be recovered,” he concluded.

For the full year 2009, the Company recorded earnings before unusual items of \$109.6 million or \$0.48 per common share reflecting the increased number of shares outstanding in 2009 on revenues of \$685.5 million, compared to earnings before unusual items of \$97.1 million or \$0.45 per common share on revenues of \$636.0 million in 2008. Net earnings for 2009 were \$60.3 million or \$0.27 per share, after reflecting a charge for unusual items of \$49.3 million relating to the Kyrgyz settlement. Net earnings for 2008 were \$134.8 million or \$0.62 per share, after reflecting unusual items of \$37.7 million (gain) relating to the reduction to fair value recorded in the second quarter of 2008 of the contingent share obligation under the expired preliminary framework agreement with the Kyrgyz Government.

Cash provided by operations in 2009 of \$245.6 million represented \$1.08 per share up from \$166.3 million or \$0.77 per share in 2008, reflecting the higher net earnings, primarily as a result of the higher average gold price realized.

Consolidated 2009 gold production of 675,592 ounces at a total cash cost of \$459 per ounce exceeded the Company's revised guidance of 620,000 to 630,000 ounces, compared with consolidated gold production of 748,888 ounces at a total cash cost of \$423 per ounce for the prior year. Note that the 2008 unit cost was restated to remove revenue-based taxes. (Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measures" in this news release.)

Year-end Reserves and Resources

Reserves

As of December 31, 2009, on a 100% project basis, Centerra's proven and probable reserves increased 26% to 7.3 million ounces of contained gold, compared to 5.8 million ounces as of December 31, 2008. This represents an increase of 2.4 million contained ounces before accounting for the processing of 930,000 contained ounces processed at Kumtor and Boroo or placed on Boroo's heap leach pad during 2009. All 2009 year-end reserves and resources were estimated using a gold price of \$825 per ounce compared to \$675 per ounce in 2008.

At Kumtor, before accounting for the processing of 695,000 contained ounces produced during 2009, proven and probable reserves increased by 2.1 million contained ounces. The increase is a combination of reserve increases in the Central Pit as described in the Company's news release of December 7, 2009 (adjusted for production in November and December 2009) and a year-end increase of the Sarytor and Southwest reserves.

As described in the December 2009 news release, the increase in the Central Pit reserves is the result of successful exploration drilling, changes in the life-of-mine plan as a result of the gold price increase and an expansion of the mining fleet at Kumtor to complete the North Wall expansion. With this fleet expansion there will be excess mining equipment capacity in the latter years of the Central Pit life-of-mine plan which could be deployed for the mining of satellite deposits. At year-end, a further review of the Sarytor and Southwest reserves and resources using the higher gold price of \$825 per ounce and the availability of excess mining equipment capacity has led to pit expansions at both the Sarytor and Southwest satellite deposits. At Sarytor, proven and probable reserves increased by 442,000 contained ounces of gold to total 814,000 contained ounces of gold. At the Southwest deposit, proven and probable reserves increased by 394,000 contained ounces of gold to total 394,000 contained ounces. The Kumtor life-of-mine plan has been revised and extended a further two years to 2019 from the life-of-mine plan described in the December 2009 news release. Kumtor's life-of-mine plan is based only on the open pit reserves and resources, and no provision has been made for production from the underground development activities.

At Boroo, before accounting for the processing of 235,000 contained ounces produced during 2009 in the Boroo mill and heap leach pad, proven and probable reserves increased by 24,000 contained ounces. In addition, a technical report was finalized to include heap leach processing in the life-of-mine plan at Boroo.

At Gatsuurt, proven and probable reserves increased by 275,000 contained ounces due to an expanded pit as a result of the higher gold price and a resulting lowering of the cut-off grades.

Resources

As of December 31, 2009, on a 100% project basis, Centerra's measured and indicated resources decreased by 791,000 ounces over the December 31, 2008 figures to total 4.1 million ounces of contained gold (Centerra's share is 4.0 million ounces), compared to 4.9 million ounces (Centerra's share was 4.5 million ounces) as of December 31, 2008. The decrease from the 2008 year-end measured and indicated resources is largely attributable to conversion of resources into reserves at Kumtor and Gatsuurt as a result of using a higher gold price for reserve estimation.

The Company's inferred resources, on a 100% project basis increased by 218,000 contained ounces year-over-year. At Kumtor, the inferred resources in the high-grade SB Zone increased to 1.8 million contained ounces of gold with an average grade of 17.0 g/t, as a result of the successful 2009 drilling of the southwest extension of the SB Zone. The strike length of the deposit was extended by a further 350 metres to the southwest of the 2008 year-end resource model. A significant portion of the new ounces identified by this drilling, 341,000 ounces of contained gold, fall within the new Kumtor open pit design and therefore are included in the new in-pit proven and probable reserves.

In addition, this southwest expansion of the Central Pit also captured 155,000 ounces of contained gold that were previously classified as part of the high-grade underground SB Zone inferred resource, that is now within the new open pit design, and therefore is included in the Kumtor central pit proven and probable reserves. The shallow drilling also identified an estimated 313,000 new ounces of contained gold beneath the 2008 open pit design that were added to the 2008 year-end high-grade underground SB Zone inferred resource. This addition, offset by the 155,000 ounces of contained gold reclassified as open pit reserves, has resulted in a net increase of an estimated 158,000 ounces of contained gold to the high-grade underground SB Zone inferred resource.

At the Sarytor and Southwest deposits, measured and indicated resources increased due to the expansion of the mineralization identified as having a reasonable expectation of economic extraction using an \$825 per ounce gold price. In addition, inferred resources increased at the Sarytor and Southwest deposits.

Reconciliation of Gold Reserves and Resources (in thousands of ounces of contained gold) ⁽⁸⁾ ⁽⁹⁾

	December 31 2008 ⁽¹⁾	Jan-1 to Oct-31 2009 Throughput ⁽²⁾	Nov-1 to Dec-31 2009 Throughput ⁽²⁾	2009 Addition (Deletion) ⁽³⁾	December 31 2009	Centerra Share ⁽⁴⁾
Reserves – Proven and Probable						
Kumtor ⁽⁵⁾	4,025	409	286	2,144	5,474	5,474
Boroo	778	188	47	24	567	567
Gatsuurt ⁽⁷⁾	1,005	0	0	275	1,280	1,280
Total Proven and Probable Reserves	5,808	597	333	2,443	7,321	7,321
Resources – Measured and Indicated						
Kumtor ⁽⁶⁾	2,865	0	0	(664)	2,201	2,201
Boroo	242	0	0	0	242	242
Gatsuurt ⁽⁷⁾	607	0	0	(127)	480	480
REN ⁽¹¹⁾	1,220	0	0	0	1,220	781
Total Measured & Indicated Resources	4,934	0	0	(791)	4,143	3,704
Resources – Inferred ⁽¹⁰⁾						
Kumtor ⁽⁶⁾	34	0	0	275	309	309
Kumtor Stockwork Underground	757	0	0	(136)	621	621
Kumtor SB Underground	1,593	0	0	158	1,751	1,751
Boroo	233	0	0	0	233	233
Gatsuurt ⁽⁷⁾	256	0	0	(79)	177	177
REN ⁽¹¹⁾	432	0	0	0	432	277
Total Inferred Resources	3,305	0	0	218	3,523	3,368

- (1) Reserves and resources as reported in Centerra's Annual Information Form filed in March 2009.
- (2) Corresponds to mill and heap leach pad feed. The discrepancy between the 2009 throughput and 2009 ounces of gold produced is due to gold recovery in the mill and heap leach pad.
- (3) Changes in reserves or resources, as applicable, are attributed to information provided by drilling and subsequent reclassification of reserves or resources, an increase in the gold price, changes in pit designs, reconciliation between the mill and the resource model, and changes to operating costs.
- (4) Centerra's equity interests as at December 31, 2009, were as follows: Kumtor 100%, Gatsuurt 100%, Boroo 100% and REN 64%.
- (5) Kumtor reserves include the Central Pit and the Southwest and Sarytor Deposits.
- (6) Kumtor open pit resources include the Central Pit and the Southwest Deposit and Sarytor Deposit.
- (7) Gatsuurt reserves and resources include the Central Zone and Main Zone deposits.
- (8) Centerra reports reserves and resources separately. The amount of reported resources does not include those amounts identified as reserves.
- (9) Numbers may not add up due to rounding.
- (10) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the inferred resources will ever be upgraded to a higher category.
- (11) Centerra's interest in the REN joint venture is subject to a purchase agreement. Upon payment in full of the purchase price, Centerra will transfer its interest to the acquiring party, Rye Patch Gold Inc. See "Exploration Update – United States – REN".

Centerra Gold Inc.
2009 Year-end Reserve and Resource Summary
(as of December 31, 2009)

Reserves ⁽¹⁾											(Tonnes and ounces in thousands) ⁽¹¹⁾⁽¹²⁾	
Property	Proven			Probable			Total Proven and Probable Reserves					
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Centerra Share (oz) ⁽³⁾	Mining Method ⁽⁴⁾	
Kumtor ⁽¹⁾⁽⁶⁾⁽¹³⁾	1,659	2.1	113	54,201	3.1	5,361	55,860	3.0	5,474	5,474	OP	
Boroo ⁽¹⁾⁽⁸⁾	10,674	0.9	295	4,777	1.8	272	15,451	1.1	567	567	OP	
Gatsuurt ⁽¹⁾⁽⁹⁾	-	-	-	13,850	2.9	1,280	13,850	2.9	1,280	1,280	OP	
Total	12,333	1.0	408	72,828	3.0	6,913	85,161	2.7	7,321	7,321		

Measured and Indicated Resources ⁽²⁾											(Tonnes and ounces in thousands) ⁽¹¹⁾⁽¹²⁾	
Property	Measured			Indicated			Total Measured and Indicated Resources					
	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Tonnes	Grade (g/t)	Contained Gold (oz)	Centerra Share (oz) ⁽³⁾	Mining Method ⁽⁴⁾	
Kumtor ⁽⁵⁾⁽⁶⁾⁽¹³⁾	18,480	2.4	1,441	10,372	2.3	760	28,852	2.4	2,201	2,201	OP	
Boroo ⁽⁵⁾⁽⁸⁾	452	2.2	32	4,464	1.5	210	4,916	1.5	242	242	OP	
Gatsuurt ⁽⁹⁾	-	-	-	5,751	2.6	480	5,751	2.6	480	480	OP	
REN ⁽¹⁰⁾⁽¹⁵⁾	-	-	-	2,990	12.7	1,220	2,990	12.7	1,220	781	UG	
Total	18,932	2.4	1,473	23,577	3.5	2,670	42,509	3.0	4,143	3,704		

Inferred Resources ⁽²⁾⁽¹⁴⁾						(Tonnes and ounces in thousands) ⁽¹¹⁾⁽¹²⁾		
Property	Inferred							
	Tonnes	Grade (g/t)	Contained Gold (oz)	Centerra Share (oz) ⁽³⁾	Mining Method ⁽⁴⁾			
Kumtor ⁽⁵⁾⁽⁶⁾⁽¹³⁾	3,793	2.5	309	309	OP			
Kumtor Stockwork Underground ⁽⁷⁾	1,700	11.4	621	621	UG			
Kumtor SB Underground ⁽⁷⁾	3,203	17.0	1,751	1,751	UG			
Boroo ⁽⁵⁾⁽⁸⁾	7,323	1.0	233	233	OP			
Gatsuurt ⁽⁹⁾	2,260	2.4	177	177	OP			
REN ⁽¹⁰⁾⁽¹⁵⁾	835	16.1	432	277	UG			
Total	19,114	5.7	3,523	3,368				

- (1) The reserves have been estimated based on a gold price of \$825 per ounce.
- (2) Mineral resources are in addition to reserves. Mineral resources do not have demonstrated economic viability.
- (3) Centerra's equity interests are: Kumtor 100%, Gatsuurt 100%, Boroo 100% and REN 64%.
- (4) "OP" means open pit and "UG" means underground.
- (5) Open pit resources occur outside the current ultimate pits which have been designed using a gold price of \$825 per ounce.
- (6) The open pit reserves and resources at Kumtor are estimated based on a cutoff grade of 1.0 gram of gold per tonne and includes the Central Pit and the Southwest and Sarytor deposits.
- (7) Underground resources occur below the Central pit and are estimated based on a cutoff grade of 7.0 grams of gold per tonne.
- (8) The reserves and resources at Boroo are estimated based 0.5 gram of gold per tonne cutoff grade.
- (9) The reserves and resources at Gatsuurt are estimated using either a 1.2, 1.4 or 1.5 grams of gold per tonne cutoff grade depending on ore type and process method.
- (10) The resources at REN are estimated based on a cutoff grade of 8.0 grams of gold per tonne.
- (11) A conversion factor of 31.10348 grams per ounce of gold is used in the reserve and resource estimates.
- (12) Numbers may not add up due to rounding.
- (13) Kumtor reserves and resources include Sarytor and Southwest reserves of 15.1 million tonnes grading 2.5 g/t for 1,208,000 contained ounces, Sarytor and Southwest indicated resources of 4.8 million tonnes grading 2.1 g/t for 325,000 contained ounces and Sarytor and Southwest inferred resources of 3.7 million tonnes grading 2.5 g/t for 303,000 contained ounces.
- (14) Inferred mineral resources have a great amount of uncertainty as to their existence and as to whether they can be mined economically. It cannot be assumed that all or part of the inferred resources will ever be upgraded to a higher category.
- (15) Centerra's interest in the REN joint venture is subject to a purchase agreement. Upon payment in full of the purchase price, Centerra will transfer its interest to the acquiring party, Rye Patch Gold Inc. See "Exploration Update – United States – REN".

Financial and Operating Summary

Highlights

Financial and Operating Summary	Three Months Ended December 31			Year Ended December 31		
	2009	2008	% Change	2009	2008	% Change
Revenue - \$ millions	323.9	241.3	34%	685.5	636.0	8%
Cost of sales - \$ millions ⁽¹⁾	74.1	113.4	(35%)	295.9	332.0	(11%)
Impairment charge - \$ millions	-	18.8	100%	-	18.8	100%
Earnings before unusual items - \$ millions ⁽²⁾	140.0	42.6	228%	109.6	97.1	13%
Earnings per common share before unusual items - \$ basic and diluted	0.60	0.20	200%	0.48	0.45	7%
Unusual items (gain) - \$ millions	-	-	-	49.3	(37.7)	(231%)
Net earnings - \$ millions	140.0	42.6	228%	60.3	134.8	(55%)
Earnings per common share - \$ basic and diluted	0.60	0.20	200%	0.27	0.62	(56%)
Cash provided by operations - \$ millions	188.6	103.3	83%	245.6	166.3	48%
Capital expenditures - \$ millions	28.7	27.3	5%	89.8	94.5	(5%)
Weighted average common shares outstanding - basic (thousands) ⁽³⁾	234,857	216,318	9%	226,699	216,318	5%
Weighted average common shares outstanding - diluted (thousands) ⁽³⁾	235,379	218,166	8%	226,801	216,438	5%
Average gold spot price - \$/oz	1,100	795	38%	973	872	12%
Average realized gold price - \$/oz	1,129	806	40%	1,013	853	19%
Gold sold – ounces	286,888	299,242	(4%)	676,394	745,730	(9%)
Cost of sales - \$/oz sold	258	379	(32%)	438	445	(2%)
Gold produced – ounces	296,048	284,045	4%	675,592	748,888	(10%)
Total cash cost ^{(4) (5)} - \$/oz produced	276	316	(12%)	459	423	8%
Total production cost ^{(4) (5)} - \$/oz produced	393	437	(10%)	611	533	15%

(1) Cost of sales excludes regional office administration.

(2) Net earnings before unusual items is a non-GAAP measure and is discussed under “Non-GAAP Measures”.

(3) As of December 31, 2009, the Company had 234,857,228 common shares issued and outstanding.

(4) Total cash cost and total production cost are non-GAAP measures and are discussed under “Non-GAAP Measures”.

(5) As a result of Kumtor's Restated Investment Agreement, total cash cost and total production cost per ounce measures for 2009 and the comparative years have been restated to exclude operating and revenue-based taxes.

Capital expenditures in the fourth quarter of 2009 amounted to \$28.7 million of which \$5.7 million was spent and accrued on sustaining capital projects and \$23.0 million invested in growth capital. The major growth components are related to the SB Zone underground development at Kumtor (\$12.1 million), and the Gatsurt development project (\$10.3 million). Capital expenditures in the same quarter of 2008 were \$27.3 million, which included \$16.4 million of sustaining capital and \$10.9 million of growth capital.

Exploration expenditures for the fourth quarter were \$8.5 million dollars compared to \$7.9 million in the fourth quarter of 2008 reflecting higher spending on new exploration joint ventures in Turkey, Russia and exploration projects in the United States.

For the year 2009, capital expenditures were \$89.8 million of which \$40.1 million was spent and accrued on sustaining capital projects and \$49.7 million invested in growth capital. The major growth capital components are related to the SB Zone underground development at Kumtor (\$33.4 million) and the Gatsuurt development project (\$12.9 million). For the full year 2008, capital expenditures totaled \$94.5 million, which included \$47.5 million of sustaining capital and \$47.0 million of growth capital.

Exploration expenditures in 2009 were \$25.0 million compared to \$23.5 million in 2008 reflecting higher spending at the Gatsuurt project, on new exploration joint ventures in Turkey, Russia and exploration projects in the United States and an increase in exploration activities elsewhere.

Operations Update

Kumtor

At the Kumtor mine, gold production was a record 247,095 ounces in the fourth quarter of 2009 representing a 4% increase from the same quarter in 2008, due to higher ore grades and increased recovery. The ore grade in the fourth quarter averaged 6.92 g/t with a recovery of 84.4% compared to 5.60 g/t with a recovery of 83.2% in the same quarter of 2008. The gold production increased 85% in fourth quarter of 2009 from the third quarter of 2009, as the high-grade SB Zone was mined in the quarter. During the fourth quarter of 2009, the Kumtor mill performed better than expected in handling the high-grade feed in the flotation, concentrate and gold recovery circuits. During December, the average mill feed grade was 10.14 g/t gold and the average recovery was 85.5%.

Total cash cost per ounce produced, a non-GAAP measure of production efficiency, decreased to \$245 in the fourth quarter compared to \$284 a year earlier due to lower consumable costs (\$27 per ounce) and a 4% increase in production as a result of higher grades and recoveries (\$12 per ounce). Total cash operating costs decreased to \$60.5 million in the fourth quarter compared to \$67.3 million in the fourth quarter of 2008. The cost decrease year-over-year was due to lower costs of diesel fuel (\$4.6 million), maintenance materials and supplies (\$1.4 million), and tires (\$0.7 million), which represents \$27 per ounce decrease.

Exploration expenditures totaled \$2.8 million for the fourth quarter of 2009, a slight decrease from \$3.4 million in the fourth quarter 2008, primarily as a result of lower drill costs.

During the fourth quarter of 2009, capital expenditures were \$16.0 million, which included \$3.4 million of sustaining capital spent mainly on the CAT 785 haul truck major overhaul program and on shovel rebuilds. In addition, \$12.6 million was invested in growth capital mainly for the SB Zone underground development (\$12.1 million) in the fourth quarter of 2009.

The SB Zone underground decline has advanced a total of 680 metres and the ground conditions are fluctuating between good and poor, with the poor ground associated with structural faults.

As planned, a second portal and decline was started from within the Central Pit. The underground development program has been revised to allow access to both the SB Zone and Stockwork Zone at the same time. The second portal and the associated infrastructure have been completed and mining development is underway. Exploration and delineation drilling of the two resources (SB Zone and Stockwork Zone) is planned for 2010.

Boroo & Gatsuurt

At the Boroo mine in the fourth quarter of 2009, gold production was 48,953 ounces, 3% better than the fourth quarter of 2008 due to higher ore grade (2.91 g/t versus 2.55 g/t in 2008) and higher mill recovery (79.1% compared to 70.7%). During the fourth quarter of 2009, the mill throughput rate exceeded plan and less transitional ore was mined from Pit 3. During the quarter, Boroo mined in an area that was less refractory in nature than anticipated. Better ore grades from the mine and the stockpiles, and better recovery lead to the higher gold production.

Total cash costs per ounce produced, a non-GAAP measure of production efficiency, decreased to \$435 in the fourth quarter of 2009 from \$471 in the fourth quarter of 2008. Total cash operating costs decreased to \$21.3 million in the fourth quarter compared to \$22.4 million in the fourth quarter of 2008, primarily as the result of lower mining, milling and leaching costs due to lower consumable costs (\$22 per ounce), and a 3% increase in ounces produced (representing \$14 per ounce of the decrease).

During the fourth quarter of 2009, capital expenditures at Boroo were \$2.3 million of sustaining capital and no growth capital.

At the Gatsuurt project, \$10.3 million of growth capital was spent in the quarter primarily related to the construction of the road to access the Gatsuurt project and connect it with the Boroo mill facilities. Late in the fourth quarter, condemnation drilling was performed at Gatsuurt to confirm waste dump locations. Development of the mine site infrastructure is continuing, though cold winter weather has reduced some construction activities. The road construction is on schedule for a second quarter 2010 completion.

Summary of Key Operating Results

	Three Months Ended December 31			Year Ended December 31		
	2009	2008	% Change	2009	2008	% Change
Kumtor Operating Results						
Revenue - \$ millions	263.1	208.5	26%	523.7	468.3	12%
Gold sold – ounces	231,799	258,642	(10%)	511,092	552,253	(7%)
Average realized gold price – \$/oz	1,135	806	41%	1,025	848	21%
Cost of sales - \$ millions ⁽¹⁾	57.4	96.8	(41%)	236.5	273.1	(13%)
Cost of sales - \$/oz sold	248	374	(34%)	463	495	(6%)
Tonnes mined - 000s	25,995	29,000	(10%)	115,544	115,548	(0%)
Tonnes ore mined – 000s	1,759	1,490	18%	4,464	4,967	(10%)
Tonnes milled - 000s	1,414	1,560	(9%)	5,780	5,577	4%
Average mill head grade - g/t ⁽²⁾	6.92	5.60	24%	3.74	3.89	(4%)
Recovery - %	84.4	83.2	1%	76.7	79.7	(4%)
Gold produced – ounces	247,095	236,544	4%	525,042	556,251	(6%)
Total cash cost ⁽³⁾⁽⁴⁾ - \$/oz produced	245	284	(14%)	460	438	5%
Total production cost ⁽³⁾⁽⁴⁾ -\$/oz produced	346	403	(14%)	593	548	8%
Capital expenditures - \$ millions	16.0	20.3	(21%)	73.4	57.1	28%
Boroo Operating Results						
Revenue - \$ millions	60.8	32.8	85%	161.8	167.7	(4%)
Gold sold – ounces	55,089	40,600	36%	165,302	193,477	(15%)
Average realized gold price - \$/oz	1,104	808	37%	979	867	13%
Cost of sales - \$ millions ⁽¹⁾	16.7	16.6	1%	59.5	58.9	1%
Cost of sales - \$/oz sold	303	409	(26%)	360	304	18%
Total tonnes mined - 000s	3,624	5,039	(28%)	12,396	21,450	(42%)
Tonnes mined heap leach – 000s	1,170	1,037	13%	3,481	3,629	(4%)
Tonnes ore mined direct mill feed -000's	1,250	625	100%	2,913	2,416	21%
Tonnes ore milled - 000s	628	620	1%	2,077	2,496	(17%)
Average mill head grade - g/t ⁽²⁾	2.91	2.55	14%	2.56	2.69	(5%)
Recovery - %	79.1	70.7	12%	72.9	77.7	(6%)
Gold produced – ounces	48,953	47,501	3%	150,550	192,637	(22%)
Total cash cost ⁽³⁾ - \$/oz produced	435	471	(8%)	456	382	19%
Total production cost ⁽³⁾ -\$/oz produced	634	606	5%	673	490	37%
Capital expenditures (Boroo) - \$ millions	2.3	6.7	(65%)	3.3	35.9	(91%)
Capital expenditures (Gatsuert) - \$ millions	10.3	0.1	10200%	12.9	0.6	2050%

(1) Cost of sales for 2009 and its comparative years exclude regional office administration.

(2) g/t means grams 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, Kumtor's total cash cost and total production cost per ounce measures for 2009 and the comparative years have been restated to exclude operating and revenue-based taxes.

Exploration Update

Kyrgyz Republic

During the fourth quarter of 2009, exploration drilling programs continued in the Kumtor Central Pit and from the underground in decline 1. Regional exploration drilling continued on the Kumtor concession area at the Northeast, Muzdusuu, Southwest and Sarytor areas. During the quarter, a 140 square-kilometre exploration license contiguous to the Kumtor concession was obtained. The Karasay prospect is 15 kilometres south of the current Kumtor mining areas and fieldwork is expected to commence in the second quarter of 2010.

Kumtor Pit

In the fourth quarter of 2009, the drilling program focused on testing the southwest extension of the SB Zone outside of the planned open pit, as well as wide-spaced drill testing for strike and down dip extensions of the main mineralized horizons in the Saddle Zone and Northeast Extension Zones.

Drill results from testing the southwest extension of the SB Zone within and beyond the current planned open pit continue to confirm the extension of the Kumtor structure and mineralization. Drill hole D1373 intersected the upper zone of mineralization but had to be stopped whilst still within the zone of alteration, due to technical drilling problems. The most significant mineralization intersected in this hole was 4.4 g/t Au over 9.6 metres, including 7.5 g/t Au over 4.0 metres. This intercept, although narrower and lower grade than the high grades intersected in drill hole D1352 in the third quarter of 2009, has confirmed the extension of the structure and mineralization for a further 200 metres down dip of D1352. Drill hole D1376, drilled on section -34 of the southwest extension of the SB Zone intersected strong tectonic brecciation and alteration in the main structure position but did not return any significant values.

In the fourth quarter of 2009, drilling continued in the Saddle Zone area between the SB and Stockwork Zones of the Central Pit. Drill hole, D1371, intersected low-grade mineralization including 2.3 g/t Au over 23.5 metres and 1.6 g/t Au over 15.0 metres at 3,300 to 3,400 metre elevation.

Drilling continued in the fourth quarter to test the extension of the Kumtor structure to the northeast of the Central pit high-wall. Drill hole D1368 was drilled to test the down dip extension of the high grade mineralization intersected in the second quarter of 2009 in drill hole D1301A, which returned assays of 9.1 g/t Au over 11.0 metres, including 10.8 g/t over 8.5 metres. Drill hole D1368 intersected 8.64 g/t Au over 2.7 metres. Further drilling in the Northeast Extension area is planned for early 2010.

Decline Exploration

One additional drill hole was completed in the fourth quarter 2009, which intersected the Kumtor structure in the anticipated position below the decline but did not return any significant gold values. Exploration drilling will be resumed in early 2010.

Regional Exploration

Regional exploration drilling continued in the fourth quarter of 2009 at Northeast, Muzdusuu, Southwest and Sarytor areas.

Northeast Area

The drill program was designed to follow up on the mineralization intersected in drilling completed in 2007, 2008 and 2009. The drilling continues to give encouraging results which indicated the potential for a near surface zone of mineralization, similar in grade to the Sarytor deposit. The most significant widths and grades of mineralization intersected in the fourth quarter include:

DN1377	2.8 g/t Au over 9.3 metres
DN1378	6.2 g/t Au over 2.0 metres
DN1379	2.3 g/t Au over 7.0 metres and 3.0 g/t Au over 10.8 metres
DN1380	3.4 g/t Au over 16.5 metres and 4.7 g/t Au over 5.2 metres
DN1381	3.7 g/t Au over 13.9 metres and 1.3 g/t Au over 12.1 metres
DN1383	2.5 g/t Au over 6.2 metres
DN1386	2.0 g/t Au over 6.6 metres and 4.6 g/t Au over 8.4 metres
DN1391	1.6 g/t Au over 5.4 metres and 6.2 g/t Au over 10.3 metres, including 10.8 g/t Au over 5.1 metres
DN1397	9.3 g/t Au over 23.4 metres, including 15.2 g/t Au over 11.2 metres

The high-grade mineralization intersected in holes DN1391 and DN1397 are the first indications of the presence of high-grade mineralization at the Northeast prospect.

The mineralization intersected in holes DN1380 and DN1397 on sections 434 and 426, respectively, is higher in grade than the mineralization reported from Soviet era adit sampling in this area (1.8 g/t Au over 12.3 metres) and confirms the continuation of the mineralized structure for a further 500m along strike to the northeast the high grade mineralization in hole DN1391. Follow-up drilling along strike of both intersections is in progress.

True widths for the mineralized zones are typically from 40% to 95% of the stated intercept.

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/cg0223.pdf> or visit the Company's web site at: www.centerragold.com.

A complete listing of the drill results and supporting maps for the Kumtor pit 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

United States

REN

On February 4, 2010, Centerra Gold (U.S.) Inc., a wholly-owned subsidiary of Centerra, signed a purchase agreement with Rye Patch Gold Corp. and its U.S. subsidiary, Rye Patch Gold US Inc. (collectively "Rye Patch") for the sale of Centerra Gold (U.S.) Inc.'s interest in the REN project in Nevada, subject to the joint venture project partner, Homestake Mining Company of California (a subsidiary of Barrick Gold Corporation) waiving its pre-emptive right to acquire Centerra Gold U.S. Inc.'s interest and Rye Patch obtaining TSX Venture approval (the "Conditions Precedent"). The purchase price for the acquisition is \$42 million payable as follows: (i) \$2 million within 2 business days after satisfaction of both Condition Precedents (the "First Payment Date"); (ii) \$10 million on or before the second anniversary of the First Payment Date, at Rye Patch's election, or, at Rye Patch's election, it may issue up to \$5 million in Rye Patch common shares and pay the balance of the \$10 million in cash; and (iii) \$30 million on or before the third anniversary of the First Payment Date, or, at Rye Patch's election, it may issue up to \$15 million in Rye Patch common shares and pay the balance of the \$30 million in cash.

From the First Payment Date, Rye Patch has agreed to perform all of Centerra Gold (U.S.) Inc.'s obligations under the REN joint venture agreement, including acting as manager. When the purchase price has been paid in full, Centerra Gold (U.S.) Inc. has agreed to transfer the joint venture interest to Rye Patch's subsidiary, Rye Patch Gold US Inc.

Outlook for 2010

Centerra's 2010 consolidated gold production is forecast to be in the 640,000 to 700,000 ounce range. Total cash cost in 2010 is expected to be between \$460 and \$505 per ounce produced. Total cash cost is a non-GAAP measure and is discussed under "Non-GAAP Measures".

The Kumtor mine is expected to produce between 520,000 to 560,000 ounces in 2010, which excludes any production from the nearby Sarytor deposit, which will be mined in 2012 and 2013. Total cash cost for 2010 is expected to be \$430 to \$460 per ounce.

On a quarterly break-down Kumtor's 2010 gold production profile will be somewhat similar to 2009, except that, during the first quarter, higher grade material will be processed as a result of the high-grade stockpile established in the fourth quarter of 2009 as well as continued mining of the high-grade material in the SB Zone during January of 2010. The planned mining sequence for the year has approximately 28% of gold production being recovered in the first quarter and 43% in the fourth quarter. The second and third quarters of 2010 will have lower production due primarily to the sequence of mining in the Kumtor pit as well as the anticipated change of the ball mill ring gear at the end of second quarter and replacement of the SAG mill liner in the third quarter at the Kumtor mill.

At Boroo/Gatsuurt, gold production is forecast to be 120,000 to 140,000 ounces. The forecast assumes that:

- the Company has received the final operating permit for the Boroo heap leach facility by mid-April 2010 allowing it to restart the heap leach within days of receiving the permit. Approximately 36,000 ounces of gold production is planned from the heap leach in 2010 and,
- all permitting and commissioning requirements for Gatsuurt are in place by mid-2010 in order to allow for the commencement of processing of Gatsuurt oxide ore in the second half of 2010 (expected production of approximately 52,000 ounces of gold from the Gatsuurt project).

Boroo/Gatsuurt total cash cost is expected to be \$590 to \$690 per ounce in 2010 reflecting Gatsuurt start-up. See also “Mongolian Regulatory Matters” and other material assumptions set out below.

Centerra’s production and unit costs are forecast as follows:

Production <i>Ounces of gold</i>	2010 Forecast	2009 Actual
Kumtor	520,000 – 560,000	525,042
Boroo/Gatsuurt	120,000 – 140,000	150,550
Total Consolidated	640,000 – 700,000	675,592

Total Cash Cost ⁽¹⁾ <i>\$ per ounce</i>	2010 Forecast	2009 Actual
Kumtor	430 – 460	460
Boroo/Gatsuurt	590 – 690	456
Consolidated	460 – 505	459

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

2010 Exploration Expenditures

Exploration expenditures of \$30 million are planned for 2010, an increase from \$25 million spent in 2009. The 2010 program will continue the aggressive exploration work at the Kumtor mine with \$12.6 million of planned expenditures to test for additional open pit and underground resources. Initially, \$2.1 million is allocated for target definition work and drill programs on our large land holdings in Mongolia. In addition, drilling and generative programs will be continued in Russia (\$2.7 million), Turkey (\$2.9 million) and Nevada (\$2.1 million) with drilling programs continuing on the four joint ventures and two projects generated in 2008 and on the four new joint ventures acquired in 2009.

Generative programs will continue in Central Asia, Russia, China, Turkey and the U.S. to increase the pipeline of projects that are being developed to meet the longer term growth targets of Centerra.

2010 Capital Expenditures

The capital expenditures for 2010 are estimated to be \$276.4 million, including \$49.7 million of sustaining capital and \$226.7 million of growth capital.

Capital expenditures include:

Projects	2010 Growth Capital (millions of dollars)	2010 Sustaining Capital (millions of dollars)
Kumtor mine	\$152.1	\$44.3
Boroo mine	\$0.8	\$5.0
Gatsuurt project	\$73.8	0
Consolidated Total	\$226.7	\$49.7

Kumtor Capital

At Kumtor, during 2010 the largest sustaining capital spending will be on the major overhaul maintenance of the heavy duty mine equipment (\$21.9 million) and mill equipment overhaul (\$1.8 million). Sustaining capital spending also includes \$6.8 million of expenditures for shear key, buttress and tailings dam construction works and a waste dump expansion project (\$1.2 million) will be implemented that requires a new road and power line alignment.

The significant growth capital investment of \$152.1 million during 2010 at Kumtor will enable Centerra to develop the long-term potential of the mine, by expanding and renewing the open pit mining fleet, increasing ice haulage capacity and continuing the underground development. Included in this is the North Wall Expansion project's growth capital, estimated at \$92.9 million primarily for purchases of mining and auxiliary support equipment to renew and expand the mining fleet. To increase haulage capacity to manage the ice/waste movement in the high movement area, an additional seven new CAT 789 haul trucks for the total cost of \$19.7 million will be acquired early in 2010. It is expected that the trucks will be delivered in the second quarter of 2010. The underground growth capital, for developing the SB Zone and Stockwork Zone, as well as, for delineation drilling and capital purchases, is estimated to be \$37.6 million in 2010.

Boroo & Gatsuurt Capital

At Boroo, 2010 sustaining capital expenditures are expected to be \$5.0 million, primarily for the purchase of new ball and SAG mill gears (\$2.1 million) and mobile equipment component change-outs (\$1.9 million).

At Gatsuurt, expected 2010 growth capital spending remains unchanged at \$73.8 million which includes completion of the Gatsuurt site infrastructure including the haul road between Gatsuurt and Boroo (\$6.4 million), purchase of mobile equipment to be used at the Gatsuurt site (\$6.3 million), pre-stripping of the Gatsuurt sulphide orebody (\$12.9 million), expansion of the existing Boroo tailings facility to contain Gatsuurt oxide and sulphide tailings (\$4.9 million), and the engineering and construction of the Boroo bio-oxidation facility to process the Gatsuurt sulphide ore (\$40 million).

The Company has implemented a phased approach to the development of the Gatsuert orebody consisting of an oxide project component and a sulphide project component. It is anticipated that the Gatsuert oxide ores will begin to be processed through the Boroo facility in the third quarter of 2010 for an expected 2010 capital expenditure of approximately \$15 million (\$6.4 million for development and infrastructure, \$6.3 million for mobile equipment, and \$2.3 million for tailings expansion). Development of the sulphide project accounts for the remaining \$58.8 million in expected 2010 growth capital expenditure. The sulphide project is currently in the engineering phase of development. The balance of the capital for the development of the deeper sulphide ores at Gatsuert will only be invested if the Company is successful in obtaining an acceptable investment agreement for Gatsuert with the Government of Mongolia.

Administration

Annual corporate and administration expenses without unusual items are expected to amount to approximately \$34 million in 2010.

Corporate Income Taxes

Kumtor's operations are not subject to corporate income taxes, pursuant to the Restated Investment Agreement between Centerra, the government of the Kyrgyz Republic, Kumtor Operating Company and Kumtor Gold Company signed in June 2009. 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 government of the Kyrgyz Republic on April 30, 2009.

The corporate income tax rate for Centerra's Mongolian subsidiary, Boroo Gold Company, for 2010 and subsequent years, is 25% for taxable income over 3 billion Mongolian tugrik (approximately \$2.1 million at the 2009 year-end foreign exchange rate) with a tax rate of 10% for taxable income up to that amount.

Production, cost and capital forecasts for 2010 are forward-looking information and are based on key assumptions and subject to material risk factors that could cause actual results to differ materially and which are discussed under the heading "Material Assumptions" and "Cautionary Note Regarding Forward-looking Information".

Sensitivities

Centerra's revenues, earnings and cash flows for 2010 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	5.9	34.4	27.2	28.5
Diesel Fuel ⁽¹⁾	10%	4.8	-	4.4	4.4
Kyrgyz som	1 som	1.6	-	1.6	1.6
Mongolian tugrik	25 tugrik	0.3	-	0.3	0.3
Canadian dollar	10 cents	2.6	-	2.6	2.6

(1) 10% change in diesel fuel price equals \$7/oz.

Material Assumptions

Material assumptions or factors used to forecast production and costs include the following:

- a gold price of \$1,000 per ounce,
- exchange rates:
 - o \$1USD:\$1.04 CAD
 - o \$1USD:43.50 Kyrgyz Som
 - o \$1USD:1,390 Mongolian Tugrik
 - o \$1USD:0.68 Euro
- diesel fuel price assumption:
 - o \$0.61/litre at Kumtor
 - o \$0.81/litre at Boroo

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 \$78 per barrel.

Other important assumptions on which the Company's production, cost and capital guidance is based include the following:

- grades and recoveries at Kumtor will remain consistent with the life-of-mine plan to achieve the forecast gold production,
- the dewatering and depressurization programs at Kumtor continue 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 is successful, see "Kumtor Mine - Remedial Plan to Manage the High Movement Area" in the Company's December 7, 2009 news release,
- the equipment to execute the Company's remedial plan to manage the high movement area at Kumtor is available for purchase and is delivered on time,
- no unplanned delays in or interruption of scheduled production from our mines, including due to natural phenomena, labour or regulatory 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 "Mongolian Regulatory Matters",
- Boroo ore does not become more refractory in nature than anticipated, affecting mill recoveries,
- no further suspension of Boroo's operating licenses,
- Boroo receives the final operating permit for the heap leach facility by mid-April 2010,
- permitting and commissioning requirements for mining activities at Gatsuurt are in place by mid-2010 in order to allow for the commencement of processing of Gatsuurt oxide ore in the timeframe planned,
- the commitment of capital for developing the Gatsuurt sulphides is dependent on signing an acceptable investment agreement with the Government of Mongolia,
- the development of Gatsuurt will be exempt from the new forest and water basin legislation in Mongolia, see "Mongolian Regulatory Matters", 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, results of operations or cash flows. See the sections entitled "Recent Developments" and "Risk Factors" in the Company's most recently filed annual information form, available on SEDAR at www.sedar.com and see also the discussion below under the heading "Cautionary Note Regarding Forward-looking Information".

Mongolian Regulatory Matters

On June 12, 2009, the main operating licenses at the Company's Boroo mine were suspended by the Minerals Resources Authority of Mongolia ("MRAM") following extensive inspections of the Boroo mine operation conducted by the SSIA. While the suspension was lifted on July 27, 2009, several issues arising from the suspension continue to be discussed by Centerra and the Mongolian regulatory authorities. On October 23, 2009, Centerra received a very significant claim for compensation from the SSIA in respect of certain mineral reserves, including state alluvial reserves covered by the Boroo mine licenses, that are recorded in the Mongolian state reserves registry, but for which there are no or incomplete records or reports of mining activity. Centerra disputes the claim. While Centerra cannot give assurances, it believes settlement will be concluded through negotiation and will not result in a material impact. In addition, the SSIA inspections raised a concern about the production and sale of gold from the Boroo heap leach facility. The heap leach facility was operated under a temporary permit from June 2008 until the expiry of the temporary permit in April, 2009 and paid all relevant royalties and taxes with respect to gold produced from the heap leach facility during that period. Boroo Gold Company ("BGC") believes that it had all necessary permits to carry out its heap leach activities and that any regulatory concerns are unfounded. BGC is continuing its effort to obtain a final permit for the operation of its heap leach facility at the Boroo mine. Centerra understands that this matter has been referred to the Mongolian Ministry of Mineral Resources and Energy for review but has received no official notice of any concern.

Under the stability agreement relating to the Boroo mine between the Company and the Government of Mongolia, signed July 6, 1998, as amended (the "Boroo Stability Agreement"), the Company is permitted to offset any value added taxes ("VAT") that it pays against other taxes payable in respect of its Boroo mine operation. In 2009, the Mongolian Ministry of Finance indicated that, despite the Boroo Stability Agreement, Centerra would no longer be permitted to offset its VAT overpayments. This decision was challenged by Centerra and in November 2009, Centerra was notified by Ministry of Finance officials that VAT overpayments up to August 31, 2009 could be offset. Despite this, recovery of any VAT overpayments from September 1, 2009 onwards continues to be subject to negotiations with the Ministry of Finance.

On November 2, 2009, Centerra received a letter from the Mongolian Ministry of Finance reiterating some of the issues raised by the SSIA and indicating that the Boroo Stability Agreement would be terminated if such issues were not resolved within a period of 120 days from the date of the letter. The Company is in discussions with the Ministry of Finance regarding such concerns. While the Company believes that the issues raised by the Ministry of Finance will be resolved through negotiations without a material impact on the Company, there can be no assurance that this will be the case.

In July 2009, the Mongolian Parliament enacted legislation that would prohibit mineral prospecting, exploration and mining in water basins and forest areas in the territory of Mongolia and provides for the revocation of licenses affecting such areas. Regulations under the new legislation, which will specify the affected licenses, have not been prepared or published. The Company understands that prior to the law becoming effective the Mongolian government will undertake physical surveys and consult with local officials to determine which, if any, existing licenses will be subject to the new

law. The legislation provides a specific exemption for “mineral deposits of strategic importance”, and accordingly, the main Boroo mining licenses will not be subject to the law. The Company’s Gatsuurt licenses and its other exploration license holdings in Mongolia are currently not so exempt. However, the Company is reasonably confident that the economic and development benefits resulting from its exploration and development activities will ultimately result in the law having a limited impact on the Company’s Mongolian activities.

See “Risk Factors” in the Company’s most recently filed annual information form, available on SEDAR at www.sedar.com and see also the discussion below under the heading “Cautionary Note Regarding Forward-looking Information”.

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 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. Total cash cost and total production cost per ounce are non-GAAP measures.

Total cash costs include mine operating costs such as mining, processing, administration, royalties and operating taxes (except at Kumtor where revenue-based 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 and total production cost per ounce 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 and total production cost per ounce may enable investors to better understand year-over-year changes in production costs, which in turn affect profitability and cash flow.

Net earnings before unusual items is a non-GAAP measure. It has been included because certain investors use this information to assess how the Company would perform when items not considered to be usual in nature are excluded. This may enable investors to better understand year-over-year changes in income.

Total Cash Cost per Ounce Produced and Total Production Cost per Ounce Produced can be reconciled as follows:

(unaudited) (\$ millions, unless otherwise specified)	Three months ended December 31,		Year ended December 31,	
	2009	2008	2009	2008
<i>Centerra:</i>				
Cost of sales, as reported	\$ 74.1	\$ 113.3	\$ 296.0	\$ 332.0
Adjust for:				
Refining fees & by-product credits	0.2	0.6	0.6	(0.1)
Regional office administration	7.5	5.0	23.2	18.8
Mining Standby Costs	-	-	4.1	-
Operating taxes excluded ⁽¹⁾	-	(18.1)	(8.7)	(44.4)
Non-operating costs	(0.6)	0.5	(1.4)	1.5
Inventory movement	0.6	(11.6)	(3.6)	9.3
Total cash cost	\$ 81.8	\$ 89.7	\$ 310.2	\$ 317.1
Depreciation, depletion, amortization and accretion	29.5	32.9	104.3	78.8
Inventory movement - non-cash	2.3	1.5	(4.5)	3.4
Total production cost	\$ 113.6	\$ 124.1	\$ 410.0	\$ 399.3
Ounces poured - (000)	296.1	284.0	675.6	748.9
Total cash cost per ounce produced	\$ 276	\$ 316	\$ 459	\$ 423
Total production cost per ounce produced	\$ 384	\$ 437	\$ 607	\$ 533
<i>Kumtor:</i>				
Cost of sales, as reported	\$ 57.4	\$ 96.7	\$ 236.5	\$ 273.1
Adjust for:				
Refining fees & by-product credits	0.1	0.6	0.4	(0.2)
Regional office administration	5.1	3.8	15.3	12.1
Mining Standby Costs	-	-	-	-
Operating taxes excluded ⁽¹⁾	-	(18.1)	(8.7)	(44.4)
Non-operating costs	(0.2)	0.3	(0.7)	1.3
Inventory movement	(1.9)	(16.0)	(1.2)	1.5
Total cash cost	\$ 60.5	\$ 67.3	\$ 241.6	\$ 243.4
Depreciation, depletion, amortization and accretion	20.4	27.5	73.7	60.0
Inventory movement - non-cash	1.7	0.5	(6.6)	1.5
Total production cost	\$ 82.6	\$ 95.3	\$ 308.7	\$ 304.9
Ounces poured - (000)	247.1	236.5	525.0	556.3
Total cash cost per ounce produced	\$ 245	\$ 361	\$ 460	\$ 438
Total production cost per ounce produced	\$ 334	\$ 479	\$ 588	\$ 548
<i>Boroo:</i>				
Cost of sales, as reported	\$ 16.7	\$ 16.6	\$ 59.5	\$ 58.9
Adjust for:				
Refining fees & by-product credits	0.1	-	0.2	0.1
Regional office administration	2.4	1.2	7.9	6.7
Mining Standby Costs	-	-	4.1	-
Operating taxes excluded ⁽¹⁾	-	-	-	-
Non-operating costs	(0.4)	0.2	(0.7)	0.2
Inventory movement	2.5	4.4	(2.4)	7.8
Total cash cost	\$ 21.3	\$ 22.4	\$ 68.6	\$ 73.7
Depreciation, depletion, amortization and accretion	9.1	5.4	30.6	18.8
Inventory movement - non-cash	0.6	1.0	2.1	1.9
Total production cost	\$ 31.0	\$ 28.8	\$ 101.3	\$ 94.4
Ounces poured - (000)	49.0	47.5	150.6	192.6
Total cash cost per ounce produced	\$ 435	\$ 471	\$ 456	\$ 382
Total production cost per ounce produced	\$ 634	\$ 606	\$ 673	\$ 490

(1) Kumtor's operating taxes under the previous regime are removed in both years since these were replaced with a revenue-based tax combining income and operating taxes from the previous regime.

Centerra Gold Inc.
Consolidated Balance Sheets
(Expressed In Thousands of United States Dollars)

	December 31, 2009	December 31, 2008
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 176,904	\$ 149,583
Short-term investments	145,971	17,781
Amounts receivable	44,281	30,247
Income taxes recoverable	-	3,323
Current portion of future income tax asset	1,555	-
Inventories	151,822	170,157
Prepaid expenses	11,718	18,012
	<u>532,251</u>	<u>389,103</u>
Property, plant and equipment	380,979	394,933
Goodwill	129,705	129,705
Long-term receivables and other	6,554	5,917
Long-term inventories	23,120	18,009
Future income tax asset	1,418	3,160
	<u>541,776</u>	<u>551,724</u>
Total assets	<u>\$ 1,074,027</u>	<u>\$ 940,827</u>
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 49,178	\$ 35,611
Taxes payable	35,066	14,493
Current portion of future income tax liability	8,169	3,458
Current portion of provision for reclamation	7,662	-
	<u>100,075</u>	<u>53,562</u>
Provision for reclamation	21,533	29,322
Future income tax liability	-	1,121
	<u>21,533</u>	<u>30,443</u>
Contingent common shares issuable	-	89,084
Shareholders' equity		
Share capital	646,081	523,107
Contributed surplus	34,298	32,904
Retained earnings	272,040	211,727
	<u>952,419</u>	<u>767,738</u>
Total liabilities and shareholders' equity	<u>\$ 1,074,027</u>	<u>\$ 940,827</u>

Centerra Gold Inc.
Consolidated Statements of Earnings and Comprehensive Income
(Unaudited)
(Expressed In Thousands of United States Dollars)

	Three Months Ended		Twelve Months Ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Revenue from Gold Sales	\$ 323,894	\$ 241,334	\$ 685,490	\$ 635,980
Expenses				
Cost of sales ⁽¹⁾	74,121	113,373	295,944	332,037
Mine standby costs	-	-	4,081	-
Regional office administration	7,549	5,033	23,297	18,831
Depreciation, depletion and amortization	29,274	32,841	103,748	78,332
Accretion and reclamation expense	638	275	2,363	1,404
Revenue based taxes	36,834	-	60,179	-
Impairment charge	-	18,835	-	18,835
Exploration and business development	8,834	7,915	25,826	23,628
Other (income) and expenses	(967)	2,658	(1,711)	4,458
Corporate administration	12,133	6,113	32,922	27,312
	168,416	187,043	546,649	504,836
Earnings before unusual items and income taxes	155,478	54,291	138,841	131,144
Unusual items-Kyrgyz settlement	-	-	49,333	(37,710)
Earnings before income taxes	155,478	54,291	89,508	168,854
Income tax expense	15,523	11,678	29,195	34,089
Net earnings and comprehensive income	\$ 139,955	\$ 42,613	\$ 60,313	\$ 134,765
Basic and diluted earnings per common share	\$ 0.60	\$ 0.20	\$ 0.27	\$ 0.62
⁽¹⁾ Excludes depreciation, depletion and amortization expenses	29,227	32,564	102,999	77,315

Centerra Gold Inc.
Consolidated Statements of Cash Flows
(Unaudited)
(Expressed In Thousands of United States Dollars)

	Three Months Ended		Twelve Months Ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Operating activities				
Net earnings	\$ 139,955	\$ 42,613	\$ 60,313	\$ 134,765
Items not involving cash:				
Depreciation, depletion and amortization	29,274	32,841	103,748	78,332
Accretion and reclamation expense	638	275	2,363	1,404
Impairment charge	-	18,835	-	18,835
Loss on disposal of plant and equipment	115	918	831	3,939
Stock based compensation expense	455	545	1,724	2,137
Unusual items-Kyrgyz settlement	-	-	31,616	(37,710)
Future income tax expense	2,989	6,333	6,727	10,630
Long-term inventory	(265)	846	(5,111)	1,481
Other operating items	278	643	(1,724)	146
	<u>173,439</u>	<u>103,849</u>	<u>200,487</u>	<u>213,959</u>
Decrease (increase) in working capital	15,147	(547)	45,079	(47,649)
Cash provided by operations	<u>188,585</u>	<u>103,302</u>	<u>245,566</u>	<u>166,310</u>
Investing activities				
Additions to property, plant and equipment	(28,397)	(27,741)	(92,073)	(95,104)
Short-term investments	(145,971)	(17,781)	(128,190)	(17,781)
Proceeds from disposition of property, plant and equipment	10	33	74	676
Cash used in investing	<u>(174,358)</u>	<u>(45,489)</u>	<u>(220,189)</u>	<u>(112,209)</u>
Financing activities				
Issuance of common shares for cash	-	-	1,944	-
Repayment of short term debt	-	-	-	(10,000)
Cash provided by (used in) financing	<u>-</u>	<u>-</u>	<u>1,944</u>	<u>(10,000)</u>
Increase in cash and cash equivalents during the period	14,227	57,813	27,321	44,101
Cash and cash equivalents at beginning of the period	162,677	91,770	149,583	105,482
Cash and cash equivalents at end of the period	<u>\$ 176,904</u>	<u>\$ 149,583</u>	<u>\$ 176,904</u>	<u>\$ 149,583</u>
Supplemental disclosure with respect to cash flows				
Cash and cash equivalents consist of :				
Cash	\$ 102,204	\$ 91,227	\$ 102,204	\$ 91,227
Cash equivalents	74,700	58,356	74,700	58,356
	<u>\$ 176,904</u>	<u>\$ 149,583</u>	<u>\$ 176,904</u>	<u>\$ 149,583</u>

Centerra Gold Inc.
Consolidated Statements of Shareholders' Equity
(Unaudited)
(Expressed In Thousands of United States Dollars)

	Number of Common Shares	Amount	Contingent Common Shares Issuable	Contributed Surplus	Retained Earnings	Total
Balance at December 31, 2007	216,318,188	\$ 523,107	\$ 126,794	\$ 30,767	\$ 60,350	\$ 741,018
Contingent common shares issuable revalued	-	-	4,468	-	-	4,468
Stock-based compensation expense	-	-	-	187	-	187
Inventory adjustments, on adoption of accounting standard, net of tax	-	-	-	-	16,612	16,612
Net earnings for the period	-	-	-	-	19,272	19,272
Balance at March 31, 2008	216,318,188	\$ 523,107	\$ 131,262	\$ 30,954	\$ 96,234	\$ 781,557
Contingent common shares issuable revalued	-	-	(42,178)	-	-	(42,178)
Contingent common shares issuable reclassified	-	-	(89,084)	-	-	(89,084)
Stock-based compensation expense	-	-	-	1,126	-	1,126
Net earnings for the period	-	-	-	-	55,993	55,993
Balance at June 30, 2008	216,318,188	\$ 523,107	\$ -	\$ 32,080	\$ 152,227	\$ 707,414
Stock-based compensation expense	-	-	-	279	-	279
Net earnings for the period	-	-	-	-	16,886	16,886
Balance at September 30, 2008	216,318,188	\$ 523,107	\$ -	\$ 32,359	\$ 169,114	\$ 724,580
Stock-based compensation expense	-	-	-	545	-	545
Net earnings for the period	-	-	-	-	42,613	42,613
Balance at December 31, 2008	216,318,188	\$ 523,107	\$ -	\$ 32,904	\$ 211,727	\$ 767,738
Stock-based compensation expense	-	-	-	359	-	359
Net loss for the period	-	-	-	-	(20,286)	(20,286)
Balance at March 31, 2009	216,318,188	\$ 523,107	\$ -	\$ 33,263	\$ 191,441	\$ 747,811
Common shares issued on New Terms Agreement	18,232,615	120,700	-	-	-	120,700
Common shares issued on exercise of stock options	306,425	2,274	-	(330)	-	1,944
Stock-based compensation expense	-	-	-	455	-	455
Net loss for the period	-	-	-	-	(79,586)	(79,586)
Balance at June 30, 2009	234,857,228	\$ 646,081	\$ -	\$ 33,388	\$ 111,855	\$ 791,324
Stock-based compensation expense	-	-	-	455	-	455
Net earnings for the period	-	-	-	-	20,230	20,230
Balance at September 30, 2009	234,857,228	\$ 646,081	\$ -	\$ 33,843	\$ 132,085	\$ 812,009
Stock-based compensation expense	-	-	-	455	-	455
Net earnings for the period	-	-	-	-	139,955	139,955
Balance at December 31, 2009	234,857,228	\$ 646,081	\$ -	\$ 34,298	\$ 272,040	\$ 952,419

To view the 2009 Management's Discussion and Analysis and the Audited Financial Statements and Notes for the year-ended December 31, 2009, please visit the following link: <http://file.marketwire.com/release/cgfsmda0223.pdf>.

The 2009 Audited Financial Statements and Notes and Management's Discussion and Analysis for the year-ended December 31, 2009 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

Qualified Person

The resource and reserve estimates, production information, exploration drilling and 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 Vice-President, Exploration, who is the qualified person for the purpose of NI 43-101.

The Kumtor deposit is described in a technical report dated December 16, 2009 prepared in accordance with NI 43-101. The technical report has 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.

The Boroo deposit is described in a technical report dated December 17, 2009 prepared in accordance with NI 43-101, which is available on SEDAR at www.sedar.com. The technical report describes the exploration history, geology and style of gold mineralization at the Boroo deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Boroo site are the same as, or similar to, those described in the technical report.

The Gatsuurt deposit is described in the Company's most recently filed Annual Information Form (the "AIF") and in a technical report dated May 9, 2006 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 Gatsuurt deposit. Sample preparation, analytical techniques, laboratories used and quality assurance-quality control protocols used during the drilling programs at the Gatsuurt project are the same as, or similar to, those described in the technical report.

Cautionary Note Regarding Forward-looking Information

Information contained in this news release and the documents referred to herein which are 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 “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, Centerra’s expectations regarding 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 and the success of exploration activities) and opportunities.

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 above under the heading “Assumptions”. Factors that could cause actual results or events to differ materially from current expectations include, among other things: gold prices, replacement of mineral reserves, reduction in reserves related to geotechnical risks, ground movements, political risk, nationalization risk, changes in laws and regulations, civil unrest, labour unrest, legal compliance costs, reserve and resource estimates, production estimates, exploration and development activities, competition, operational risks, environmental, health and safety risks, costs associated with reclamation and decommissioning, defects in title, seismic activity, cost and availability of labour, material and supplies, increases in production and capital costs, permitting and construction to raise the tailings dam height and increase the capacity of the existing Kumtor tailing dam, costs associated with the movement of ice and waste at the Kumtor mine, the ability to renew and obtain licenses, permits and other rights, costs associated with the resolution of issues at the Boroo mine raised by the Mongolian SSIA concerning alluvial reserves and matters relating to the suspension of the Boroo licenses in June 2009, the potential impact of Mongolian legislation prohibiting mineral activity in water basins and forest areas on the Gatsuurt project, the threatened termination of the stability agreement with the Mongolian Government in relation to the Boroo mine, the receipt of a final permit to operate the heap leach operation at the Boroo mine, illegal mining, enforcement of legal rights, decommissioning and reclamation cost estimates, future financing and personnel and the receipt of all permitting and commissioning requirements for the Gatsuurt mine by mid-2010.

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.

Mineral reserve and mineral resource figures included 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 the mineral reserve and mineral resource estimates included are well established and are the best estimates of Centerra's management, reserve and resource estimates by their nature are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable.

Mineral resources are not mineral reserves, and do not have demonstrated economic viability, but do have reasonable prospects for economic extraction. Measured and indicated resources are sufficiently well defined to allow geological and grade continuity to be reasonably assumed and permit the application of technical and economic parameters in assessing the economic viability of the resource. Inferred resources are estimated on limited information not sufficient to verify geological and grade continuity or to allow technical and economic parameters to be applied. Inferred resources are too speculative geologically to have economic considerations applied to them to enable them to be categorized as mineral reserves. There is no certainty that mineral resources of any category can be upgraded to mineral reserves through continued exploration.

A mineral reserve is the economically mineable part of a measured or indicated mineral resource demonstrated by at least a preliminary feasibility study. This study must include adequate information on mining, processing, metallurgical, economic and other relevant factors that demonstrate, at the time of reporting, that economic extraction can be justified. A mineral reserve includes diluting materials and allowances for losses that may occur when the material is mined. Centerra reports mineral reserves separate from mineral resources.

If Centerra's reserve or resource estimates for its gold properties are inaccurate or are reduced in the future, this could have an adverse impact on Centerra's future cash flows, earnings, results of 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 February 23, 2010. 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 North American-based gold mining company focused on acquiring, exploring, developing and operating 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 and the former Soviet Union. Centerra's shares trade on the Toronto Stock Exchange (TSX) under the symbol CG. The Company is based in Toronto, Canada.

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

Conference Call

Centerra invites you to join its 2009 fourth quarter, year-end conference call on Wednesday, February 24, 2010 at 11:00 am. Eastern Time. The call is open to all investors and the media. To join the call, please dial Toll-Free in North America (800) 667-9701 or International callers dial (416) 359-1270. 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 Wednesday, March 3, 2010 by calling (416) 626-4100 or (800) 558-5253 and using passcode 21456846.

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.

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