MATERIAL CHANGE REPORT

Section 75 of the *Securities Act* (Ontario)
Section 85 of the *Securities Act* (British Columbia)
Section 146 of the *Securities Act* (Alberta)
Section 84 of *The Securities Act, 1988* (Saskatchewan)
Section 73 of the *Securities Act* (Québec)
Section 81 of the *Securities Act* (Nova Scotia)
Section 76 of *The Securities Act, 1990* (Newfoundland and Labrador)

ITEM 1: REPORTING ISSUER

PetroKazakhstan Inc. ("PetroKazakhstan")
Suite 1460
Sunlife Plaza, North Tower
140 – 4th Avenue S.W.
Calgary, Alberta T2P 3N3

ITEM 2: DATE OF MATERIAL CHANGE

July 23, 2004.

ITEM 3: PRESS RELEASE

The press release describing the material change was issued on July 23, 2004 by PetroKazakhstan in Calgary, Alberta.

ITEM 4: SUMMARY OF MATERIAL CHANGE

PetroKazakhstan announced the final results of its Dutch auction substantial issuer bid dated June 11, 2004 (the "Offer") for up to C$160 million of its Class A common shares (the "Shares"). PetroKazakhstan confirmed that 3,999,975 Shares validly deposited at the final purchase price of C$40.00 would be taken up by PetroKazakhstan on July 23, 2004.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

PetroKazakhstan announced the final results of its Offer for up to C$160 million of its Shares. PetroKazakhstan confirmed that 3,999,975 Shares validly deposited at the final purchase price of C$40.00 would be taken up by PetroKazakhstan on July 23, 2004.

Computershare Trust Company of Canada, the depositary under the Offer, reported that 28,877,308 Shares were validly deposited to the Offer.

As the aggregate value of Shares deposited at the minimum purchase price of C$40.00 exceeded C$160 million, the maximum value of consideration payable by PetroKazakhstan under the Offer, the purchase price for the Shares was determined to be C$40.00 per Share. After giving effect to the repurchase and cancellation of the repurchased Shares, PetroKazakhstan will have 76,597,191 Shares outstanding.

A pro ration factor was applied to Shares deposited at the purchase price and, as a result, shareholders who deposited their Shares at the minimum purchase price of C$40.00 had approximately 13.7% of such number of Shares purchased, except for odd lot deposits, which were not subject to pro ration.

PetroKazakhstan also announced that payment for Shares properly deposited and accepted would be made by PetroKazakhstan to the depositary, as agent for the depositing shareholders, on or before July 27, 2004.

ITEM 6: RELIANCE ON SUBSECTION 75(3) OF THE ONTARIO SECURITIES ACT OR EQUIVALENT PROVISIONS

Not applicable.

ITEM 7: OMITTED INFORMATION

Not applicable.

ITEM 8: SENIOR OFFICER

For further information contact Ihor P. Wasylkiw, Vice President, Investor Relations, at (403) 221-8658.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED the _30th_ day of July, 2004.

PETROKAZAKHSTAN INC.

by _*(signed) Anthony R. Peart*__________
Anthony R. Peart
Senior Vice President, General Counsel
and Corporate Secretary