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BY SEDAR

Autorité des marchés financiers
22e étage
800, Place Victoria
Tour de la Bourse, C.P. 246
Montréal, Québec H4Z 1G3

Dear Sirs/Mesdames:

**PetroKazakhstan Inc.
Substantial Issuer Bid**

We are writing to you in connection with PetroKazakhstan Inc.'s (the "Corporation") 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").

The Offer expired on July 19, 2004. In accordance with Section 147.10 of the *loi sur les valeurs mobilières*, we wish to confirm that 3,999,975 Shares validly deposited at the final purchase price of C\$40.00 were taken up by the Corporation. Payment for Shares properly deposited and accepted was made by the Corporation to Computershare Trust Company of Canada, the depositary under the Offer, as agent for the depositing shareholders, on July 23, 2004.

Please do not hesitate to contact me with any questions you might have.

Yours very truly,

(signed) *Andrew Spurling*

Andrew Spurling

AS/mg