Update Plan of Arrangement - No Amendment - Proof of Filing

Amendment Date: 2005/10/26

Service Request Number: 7873795
Corporate Access Number: 203528807
Legal Entity Name: PETROKAZAKHSTAN INC.
Legal Entity Status: Active

Attachment

Attachment Type	Microfilm Bar Code	Date Recorded
Articles/Plan of Arrangement/Court Order	10000202000624500	2005/10/26

Registration Authorized By: GRANT A. ZAWALSKY
SOLICITOR

100002020006245000

Articles of Arrangement

203528807 Business Corporations Act
Section 193

1. **Name of Corporation**

PETROKAZAKHSTAN INC.

2. **Corporate Access Number**

203528807

3. **In accordance with the order approving the arrangement, the articles of the corporation are amended as follows:**

In accordance with the order of the Court of Queen's Bench of Alberta dated October 26, 2005 approving the arrangement pursuant to Section 193 of the *Business Corporations Act* (Alberta), (a copy of which is attached as Schedule "A") the Plan of Arrangement (a copy of which is attached as Schedule "B") involving PetroKazakhstan Inc., 818 Acquisition Inc. and the Shareholders and Optionholders of PetroKazakhstan Inc. is hereby effected. Schedule "A" and Schedule "B" are incorporated into and form a part hereof.

ANTHONY R. PEART
Name of Person Authorizing *(please print)*

A R Peart
Identification

SENIOR VICE PRESIDENT, GENERAL COUNSEL, AND CORPORATE SECRETARY
Title *(please print)*

October 26, 2005
Date

REG 3059 (Rev. 2003/05)

Tor#: 1583406.1

PLAN OF ARRANGEMENT UNDER SECTION 193 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended;

"**Acquiror**" means 818 Acquisition Inc., a corporation existing under the laws of Alberta;

"**Arrangement**" means the proposed arrangement under the provisions of section 193 of the ABCA on the terms and conditions set forth in this Plan of Arrangement and any amendment thereto made in accordance with Article 7 of the Arrangement Agreement and Article 5 hereof or the direction of the Court in the Final Order;

"**Arrangement Agreement**" means the agreement made between Parent and Company dated August 21, 2005 providing for, among other things, the Arrangement, and all amendments thereto;

"**Arrangement Resolution**" means the special resolution passed by the Shareholders at the Meeting (voting together as a single class) approving the Arrangement;

"**Business Day**" means any day, other than a Saturday, Sunday and a statutory holiday, in Toronto, Ontario, London, England or Beijing, China;

"**Company**" means PetroKazakhstan Inc., a corporation existing under the ABCA;

"**Company Common Shares**" means the Class A common shares of Company;

"**Company Dissenting Shareholder**" means a Shareholder who exercises such holder's Dissent Rights;

"**Company Incentive Stock Option Plan**" means the stock option plan of Company made effective as of May 29, 2000, as amended on May 8, 2002;

"**Company Option**" means an option to acquire one Company Common Share granted prior to the Effective Date pursuant to the Company Incentive Stock Option Plan;

"**Court**" means the Court of Queen's Bench of Alberta;

"**Depositary**" means Computershare Trust Company of Canada;

"**Dissent Rights**" means the right of a Shareholder to dissent in respect of the Arrangement Resolution pursuant to the procedures set forth in section 191 of the ABCA, Section 3.1, the Interim Order and the Final Order;

"**Effective Date**" means the date the Arrangement is effective under the ABCA;

"**Effective Time**" means 12:01 a.m. (Calgary time) on the Effective Date;

"**Eligible Company Option**" means a Company Option with an Exercise Price that is less than $55.00 as of the Effective Date;

"**Exercise Price**" means the U.S. Dollar Equivalent of the price at which a Company Option may be exercised;

"**Final Order**" means the order of the Court approving the Arrangement, as such order may be amended at any time prior to the Effective Date or, if appealed, then unless such appeal is withdrawn or denied, as affirmed;

"**Ineligible Option**" means a Company Option with an Exercise Price that is equal to or greater than $55.00 as of the Effective Date;

"**Information Circular**" means the Management Information Circular of Company dated September 16, 2005;

"**Interim Order**" means the interim order of the Court pursuant to subsection 193(4) of the ABCA, as the same may be amended, containing declarations and directions in respect of Company under the ABCA with respect to the Arrangement and the Meeting;

"**Meeting**" means the special meeting of Shareholders to be held for the purpose of considering the Arrangement Resolution, and any adjournment(s) or postponement(s) thereof;

"**Optionholder**" means a holder of Company Options;

"**Parent**" means CNPC International Ltd., a corporation existing under the laws of the Cayman Islands;

"**Plan of Arrangement**" means this plan of arrangement as the same may be amended from time to time in accordance with the terms of Article 5 hereof or the direction of the Court in the Final Order;

"**Securityholders**" means, collectively, the Shareholders and the Optionholders;

"**Shareholder**" means a holder of Company Common Shares;

"**Tax Act**" means the *Income Tax Act* (Canada); and

"**U.S. Dollar Equivalent**" means, in respect of an amount expressed in Canadian dollars at any date, the product obtained by multiplying (i) the Canadian dollar amount and (ii) the noon spot exchange rate for Canadian dollars expressed in U.S. dollars as reported by the Bank of Canada on the Business Day immediately prior to such date, rounded to the nearest whole cent.

1.2 Construction

In this Plan of Arrangement, unless otherwise expressly stated or the context otherwise requires:

(a) references to "herein", "hereby", "hereunder", "hereof" and similar expressions are references to this Plan of Arrangement and not to any particular Article or Section;

(b) references to an "Article" or "Section" are references to an Article or Section of this Plan of Arrangement;

(c) words importing the singular shall include the plural and vice versa, words importing gender shall include the masculine, feminine and neuter genders, and references to a "person" or "persons" shall include individuals, corporations, partnerships, associations, bodies politic and other entities, all as may be applicable in the context;

(d) the use of headings is for convenience of reference only and shall not affect the construction or interpretation hereof;

(e) the word "includes" or "including", when following any general term or statement, is not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as referring to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement; and

(f) a reference to a statute or code includes every regulation made pursuant thereto, all amendments to the statute or code or to any such regulation in force from time to time, and any statute, code or regulation which supplements or supersedes such statute, code or regulation.

1.3 Currency

All references to currency herein are to United States dollars unless otherwise specified.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the provisions of the Arrangement Agreement and constitutes an arrangement as referred to in section 193 of the ABCA.

2.2 The Arrangement

Commencing at the Effective Time, subject to the Dissent Rights referred to in Section 3.1, the following shall occur and be deemed to occur in the following order without any further act or formality and, except as otherwise noted in this Section 2.2, with each transaction or event being deemed to occur immediately after the occurrence of the transaction or event immediately preceding it:

(a) Each Company Option not yet vested shall be deemed to vest. Any exercise by an Optionholder of a Company Option on or after the Effective Time shall be deemed ineffective and such Company Option shall be treated in this Plan of Arrangement as not duly exercised. Each Company Option held by an Optionholder that has not been duly exercised prior to the Effective Time shall be treated as follows:

   (i) Each Eligible Company Option shall represent the right to receive from the Acquiror cash equal to $55.00 less the Exercise Price; and

   (ii) Each Ineligible Company Option shall be deemed at all times after the Effective Time to be terminated and of no further force and effect;

(b) Each Company Common Share issued and outstanding at the Effective Time (other than those held by Company Dissenting Shareholders) will be transferred to and acquired by Acquiror in exchange for $55.00 for each Company Common Share;

(c) Each Eligible Company Option will be transferred to and acquired by Acquiror in exchange for an amount in cash equal to $55.00 less the Exercise Price of the Eligible Company Option; and

(d) Upon the transfer of Company Common Shares pursuant to Section 2.2(b), the name of each Shareholder will be removed from the register of Shareholders and Acquiror will be added to the register of Shareholders.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered holders of Company Common Shares may exercise Dissent Rights pursuant to and in the manner set forth in section 191 of the ABCA and in this Section 3.1 in connection with the Arrangement Resolution as the same may be modified by the Interim Order or the Final Order; provided that, notwithstanding subsection 191(5) of the ABCA, the written objection to the Arrangement Resolution referred to in subsection 191(5) of the ABCA must be received by Company before 5:00 p.m. (Calgary time) on the Business Day immediately preceding the Meeting. Registered holders of Company Common Shares who duly exercise such Dissent Rights and who:

(a) are ultimately entitled to be paid the fair value of their Company Common Shares shall be deemed to have transferred such shares to Acquiror on the Effective Date contemporaneously with the step of this Plan of Arrangement set out in Section 2.2(b) being effective; or

(b) are ultimately not entitled to be paid the fair value for their Company Common Shares shall be deemed to have transferred such shares to Acquiror at the same time as the other transfers of Company Common Shares to Acquiror are effective pursuant to Section 2.2(b) and shall receive from Acquiror for each Company Common Share $55.00;

but in no case shall Company, Parent, Acquiror or any other person be required to recognize such holders as holders of Company Common Shares after the Effective Time, and the names of such holders shall be deleted from the register of Shareholders on the Effective Date. In addition to any other restrictions in section 191 of the ABCA, none of the following shall be entitled to exercise Dissent Rights: (i) Optionholders; and (ii) Shareholders who vote in favour of the Arrangement Resolution.

ARTICLE 4
CERTIFICATES

4.1 Exchange of Certificates for Cash

On the Effective Date, Acquiror shall deposit cash in immediately available funds (at Calgary) with the Depositary for the benefit of Shareholders, in an amount sufficient to pay all cash consideration payable by it to Shareholders under this Plan of Arrangement. From and after the deposit of such cash, the Depositary shall be considered to hold such funds for the sole benefit of the Shareholders. Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Company Common Shares that were exchanged for cash under this Plan of Arrangement, together with such other documents or instruments as would have been required to effect the transfer of such Company Common Shares under the articles and by-laws of Company, together with such additional documents and instruments as the Depositary may reasonably require, the holder of such surrendered certificate or other instrument shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the cash which such holder has the right to receive pursuant to Section 2.2(b) hereof, net of any applicable withholding taxes.

The cash deposited with the Depositary shall be held in an interest bearing account, and any interest earned upon such funds shall be for the account of Acquiror.

Until surrendered as contemplated by this Section 4.1, each certificate or other instrument which immediately prior to the Effective Time represented Company Common Shares shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificates as contemplated in this Section 4.1.

4.2 Lost Certificates

In the event that any certificate which, immediately prior to the Effective Time, represented one or more outstanding Company Common Shares transferred pursuant to Section 2.2(b) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to have been lost, stolen or destroyed, the Depositary will pay in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with such holder's letter of transmittal enclosed with the Information Circular. When authorizing such payment and delivery in exchange for such lost, stolen or destroyed certificate, the person to whom such cash is to be delivered shall, as a condition precedent to the delivery of such cash, give a bond satisfactory to Acquiror and the Depositary in such sum as Acquiror may direct, or otherwise indemnify Acquiror in a manner satisfactory to Acquiror, against any claim that may be made against Acquiror in respect of the certificate alleged to have been lost, stolen or destroyed.

4.3 Extinction of Rights

If any Shareholder fails for any reason to deliver to the Depositary for cancellation the certificates formerly representing Company Common Shares (or an affidavit of loss and bond or other indemnity pursuant to Section 4.2), together with such other documents or instruments required for such Shareholder to receive payment for Company Common Shares, on or before the sixth anniversary of the Effective Date, such Shareholder shall be deemed to have donated and forfeited to Acquiror any cash, net of any applicable withholding or other taxes, held by the Depositary in trust for such Shareholder to which such Shareholder is entitled. At and after the Effective Time, any certificate formerly representing Company Common Shares shall represent only the right to receive the consideration provided in the Plan of Arrangement; provided that such certificates shall, on the sixth anniversary of the Effective Date, cease to represent a claim of any nature whatsoever and shall be deemed to have been surrendered to Acquiror and shall be cancelled.

4.4 Withholding Rights

Company, Acquiror and the Depositary shall be entitled to deduct and withhold from any consideration otherwise payable to any holder of Company Common Shares or Eligible Company Options such amounts as Company, Acquiror or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the United States *Internal Revenue Code of 1986* or any provision of applicable federal, provincial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Company Common Shares or Eligible Company Options in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

ARTICLE 5
AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) Parent, Acquiror and Company reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) approved by the others, (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to Securityholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Parent, Acquiror or Company at any time prior to or at the Meeting (provided that the others shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if it is consented to by each of Parent, Acquiror and Company.

(d) Any amendment, modification or supplement to the Plan of Arrangement may be made following the Effective Date unilaterally by Company, provided that it concerns a matter which, in the reasonable opinion of Company, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of Parent, Acquiror or any holder of Company Common Shares or Company Options.

CORPORATE ACCESS NUMBER: 203528807

Alberta

BUSINESS CORPORATIONS ACT

CERTIFICATE

OF

AMENDMENT

HURRICANE HYDROCARBONS LTD.
CHANGED ITS NAME TO **PETROKAZAKHSTAN INC.** ON 2003/06/02.

REGISTRAR OF CORPORATIONS

BUSINESS CORPORATIONS ACT Form 4
(Section 27 and 171)

ALBERTA **ARTICLES OF AMENDMENT**

1.	**NAME OF CORPORATION**	**2.**	**CORPORATE ACCESS NUMBER**
	HURRICANE HYDROCARBONS LTD.		**203528807**

3. THE ARTICLES OF THE ABOVE NAMED CORPORATION ARE AMENDED AS FOLLOWS:

1. Pursuant to Section 173(1)(a) of the *Business Corporations Act* (Alberta), Item 1 of the Articles of the Corporation is hereby amended by changing the name of the Corporation from Hurricane Hydrocarbons Ltd. to:

PETROKAZAKHSTAN INC.

May 28, 2003	Brian W. Mainwaring	Solicitor
DATE	**SIGNATURE**	**TITLE**

Transmitted to Alberta Corporate Registry
on June 2, 2003 by
Gowling Lafleur Henderson LLP, Service Provider

Accredited Person

MAINWARB/937591.1/J#F601!.WPD

CORPORATE ACCESS NUMBER

20352880

Alberta

GOVERNMENT OF ALBERTA

BUSINESS CORPORATIONS ACT

CERTIFICATE
OF
AMENDMENT

HURRICANE HYDROCARBONS LTD.

AMENDED ITS ARTICLES ON DECEMBER 15, 1995.

Registrar of Corporations

REG 3066 (95/09)

BUSINESS CORPORATIONS ACT
(SECTIONS 27 or 171)

FORM 4

Alberta

ARTICLES OF AMENDMENT

1. NAME OF CORPORATION:	2. ALBERTA CORPORATE ACCESS NUMBER:
HURRICANE HYDROCARBONS LTD.	20352880

3. ITEM NO. 4 OF THE ARTICLES OF THE ABOVE NAMED CORPORATION ARE AMENDED IN ACCORDANCE WITH SECTION ____ OF THE BUSINESS CORPORATIONS ACT.

Pursuant to subsection 167(1)(k) of the *Business Corporations Act* (Alberta), the Articles of the Corporation be amended to provide that the minimum number of directors shall not be less than three (3) and the maximum number of directors shall not be more than nine (9).

FILED
DEC 15 1995
Registrar of Corporations
Province of Alberta

4. DATE	SIGNATURE	TITLE
December 13, 1995		Vice President Administration and Corporate Secretary

FILED

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Alberta

20352880

Corporate Access No.

BUSINESS CORPORATIONS ACT

Form 2

CERTIFICATE OF INCORPORATION

- HURRICANE HYDROCARBONS LTD. -

Name of Corporation

I HEREBY CERTIFY THAT THE ABOVE-MENTIONED CORPORATION, THE ARTICLES OF INCORPORATION OF WHICH ARE ATTACHED, WAS INCORPORATED UNDER THE BUSINESS CORPORATIONS ACT OF THE PROVINCE OF ALBERTA.

Registrar of Corporations

Alberta

CORPORATE REGISTRY

CONSUMER AND CORPORATE AFFAIRS

September 5, 1986

Date of Incorporation

/Lsc

CCA-06-102

FILED

BUSINESS CORPORATIONS ACT
(SECTION 6)

SEP - 5 1986

FORM 1

TH[illegible] REGISTRAR OF CORPORATIONS
PROVINCE OF ALBERTA

RECEIVED
SEP - 5 1986
OFFICE OF THE REGISTRAR OF COMPANIES
PROVINCE OF ALBERTA

Alberta

CONSUMER AND CORPORATE AFFAIRS

ARTICLES OF INCORPORATION

1. NAME OF CORPORATION.

2. THE CLASSES AND ANY MAXIMUM NUMBER OF SHARES THAT THE CORPORATION IS AUTHORIZED TO ISSUE.

3. RESTRICTIONS IF ANY ON SHARE TRANSFERS.

4. NUMBER (OR MINIMUM AND MAXIMUM NUMBER) OF DIRECTORS. NINE (9) AMENDED DEC 15/95

5. IF THE CORPORATION IS RESTRICTED FROM CARRYING ON A CERTAIN BUSINESS, SPECIFY THESE RESTRICTIONS.

6. OTHER PROVISIONS IF ANY.

7. DATE:

INCORPORATORS NAMES:	ADDRESS (INCLUDE POSTAL CODE)	SIGNATURE

FOR DEPARTMENTAL USE ONLY

CORPORATE ACCESS NO. | | | | | | | | |

INCORPORATION DATE

CCA-06 101

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SEP -5 1986
OFFICE OF THE ... OF COMPA... PROV...

APPENDIX I

There shall be two classes of shares, one consisting of an unlimited number of Class A common shares, without nominal or par value, ("Class A Shares") and the other consisting of an unlimited number of Class B redeemable preferred shares, without nominal or par value, which may be issued in one or more series ("Class B Shares"). The shares in the capital stock of the Corporation shall have attached thereto the rights, restrictions, conditions, limitations and prohibitions hereinafter set forth:

CLASS A SHARES

1. The Class A Shares shall each carry the right to one vote at all meetings of the shareholders and, subject to the rights attached to the Class B Shares as hereinafter set forth, shall be fully participating as to dividends and distribution of capital upon liquidation or winding-up of the Corporation.

CLASS B SHARES

1. The Class B Shares may be issued in one or more series and the Directors may, by resolution, fix the number of shares in each series and determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series.

2. All or any part of the Class B Shares at any time outstanding may at any time and from time to time be purchased or redeemed by the Corporation on demand, on any date fixed by the Corporation, and the price for each Class B Share purchased or redeemed by the Corporation shall be equal to the price at which that Class B Share was issued.

3. In the event of winding-up or dissolution of the Corporation, the holders of the Class B Shares shall in preference and priority to any payment on the Class A Shares, be entitled, out of the assets of the Corporation available for distribution to shareholders, to the payment in full of the respective amounts which each such holder paid on the Class B Shares, but shall not be entitled to any further participation in such assets. If the assets of the Corporation available for distribution to shareholders are insufficient to permit payment in full of the amounts owing to the holders of the Class B Shares, then the holders of the Class B Shares shall participate rateably in respect of the payment.

APPENDIX II

The Directors may, between annual meetings, appoint one or more additional directors of the Corporation to serve until the next annual meeting, but the number of additional directors shall not at any time exceed one third of the number of directors who held office at the expiration of the last annual meeting of the Corporation.