

**PETROKAZAKHSTAN INC. SECURITIES LITIGATION
NOTICE OF CLASS ACTIONS AND PROPOSED SETTLEMENT**

This notice is to all Persons (as defined below), resident in Canada or elsewhere, who sold common shares of PetroKazakhstan Inc. (“PKZ”) during the period from and including June 17, 2005 to and including August 12, 2005 (“Class Period”), other than Excluded Persons (as defined below) (“Class Members”).

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

COURT APPROVAL OF THE SETTLEMENT OF CLASS ACTIONS

In 2007, class actions were commenced in Ontario and Alberta against 1000128 Alberta Ltd., CNPC International (Canada) Ltd., China National Oil and Gas Exploration and Development Corp., CNPC International Ltd. and China National Petroleum Corporation (the “Defendants”). The Plaintiffs in the actions allege that the Defendants engaged in insider trading and “tipping” relating to the common shares of PKZ and participated in an unlawful conspiracy to engage in insider trading and “tipping” relating to the common shares of PKZ, contrary to statutory and common law.

On July 12, 2010, the parties to the class actions executed a Settlement Agreement which provides that the Defendants will pay CDN\$9,990,000 (the “Settlement Amount”) in full and final settlement of all claims, including class counsel fees, disbursements, taxes and administration expenses in return for releases and a dismissal of the class actions. The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

By Orders issued by the Ontario Superior Court of Justice and the Court of Queen’s Bench of Alberta (the “Courts”) dated October 22, 2010 and October 28, 2010, respectively, the Courts certified and approved the Settlement Agreement. The Courts also awarded Class Counsel legal fees, expenses and applicable taxes on the expenses in the amount of \$2,587,173.81, plus applicable taxes on the fees (“Class Counsel Fees”). Class Counsel were retained on a contingent basis such that they were only to be paid if they were successful in the litigation. Class Counsel Fees will be deducted from the Settlement Amount before it is distributed to Class Members. Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement Agreement, including the fees of the Administrator (“Administration Expenses”), will also be paid from the Settlement Amount.

ADMINISTRATOR

The Courts have appointed NPT RicePoint Class Action Services as the Administrator of this Settlement Agreement. The Administrator will, among other things: (i) receive and process the Claim Forms and Opt-Out Forms; (ii) make determinations of Class Members’ eligibility for compensation pursuant to the Distribution Protocol; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Amount.

The Administrator can be contacted at:

Telephone: 1-866-432-5534 (toll free)

Mailing Address:

PetroKazakhstan Inc. Securities Litigation
Claims Administrator
P.O. Box 3355
London, ON N6A 4K3

Email Address: claims@nptricepoint.com

Website: www.petrokazakhstansettlement.com

A complete copy of the Settlement Agreement is available on the website of Class Counsel: www.classaction.ca.

CLASS MEMBERS' ENTITLEMENT TO COMPENSATION

Class Members will be eligible for compensation pursuant to the Settlement Agreement if they timely submit a completed Claim Form, including any supporting documentation, to the Administrator. Class Members will have until February 24, 2011 (the "Claims Bar Deadline") to submit a Claim Form.

In the Settlement Agreement, "Person" is defined as an individual, corporation, partnership, limited partnership, limited liability company, association, joint stock company, estate, legal representative, trust, trustee, executor, beneficiary, unincorporated association, government or any political subdivision or agency thereof, and any other business or legal entity and their heirs, predecessors, successors, representatives, or assignees.

The Defendants, their affiliates and their respective past and present directors, officers, subsidiaries, affiliates, employees, trustees, servants, consultants, underwriters, advisors, representatives, predecessors, successors and assigns, and the entities over which any of the foregoing persons or entities has or had during the Class Period any legal or de facto control, are "Excluded Persons" and as such are precluded from receiving compensation pursuant to the Settlement Agreement.

The remainder of the Settlement Amount, after deduction of Class Counsel Fees and Administration Expenses (the "Net Settlement Amount"), will be distributed to Class Members in accordance with the Distribution Protocol attached as Schedule "E" to the Settlement Agreement, which, in general terms, provides that:

- (a) in order to be eligible to receive compensation pursuant to the settlement, a Class Member must submit a Claim Form, including trading information that demonstrates that the Class Member sold common shares of PKZ during the Class Period, to the Administrator by the deadline for submission of claims (an "Authorized Claimant");
- (b) subject to (c) below, an Authorized Claimant is entitled to one (1) undivided interest in the Net Settlement Amount (a "Net Settlement Amount Interest") for each common share of PKZ sold by the Authorized Claimant through the facilities of the Toronto Stock Exchange (the "TSX"), the New York Stock Exchange (the "NYSE"), the Frankfurt Stock Exchange or the London Stock Exchange during the Class Period;
- (c) an Authorized Claimant is entitled to one and one-half (1.5) Net Settlement Amount Interests for each common share of PKZ sold by the Authorized Claimant on June 17, 2005, June 20, 2005, June 21, 2005, June 22, 2005, June 23,

2005, July 1, 2005, July 4, 2005 or July 19, 2005 through the facilities of the TSX or the NYSE; and

- (d) each Authorized Claimant's monetary compensation will be a portion of the Net Settlement Amount calculated as the ratio of their number of Net Settlement Amount Interests to the total number of Net Settlement Amount Interests of all Authorized Claimants, multiplied by the Net Settlement Amount.

Any disputes arising from decisions of the Administrator may be appealed to the Courts.

REQUESTING EXCLUSION FROM THE CLASS

All persons and entities who come within the definition of the class will automatically be considered Class Members unless and until they exclude themselves from the class ("opt out"). This means that Class Members will not be able to bring or maintain any other claim or legal proceeding against the Defendants, or any other person released by the Settlement Agreement, in relation to the matters alleged in the class actions unless they opt out.

If you do not want to be bound by the Settlement Agreement, you must opt out. Please note, however, that by opting out you will also be barred from making a claim and receiving compensation from the Settlement Amount.

If you wish to opt out you must submit a completed Opt-Out Form, and any supporting documentation, to the Administrator, at the above noted address, no later than January 25, 2011 (the "Opt-Out Deadline").

IMPORTANT DEADLINES

Opt-Out Deadline: January 25, 2011

Claims Bar Deadline: February 24, 2011

Opt-Out Forms and/or Claim Forms will not be accepted after their respective deadlines. As a result, it is necessary that you act without delay.

CLASS COUNSEL

The law firms of Siskinds LLP and Abells Regan LLP are counsel to the plaintiffs in the class proceedings.

Class Counsel can be reached by telephone, toll free, at 1-800-461-6166 ext. 2380 or by email at dimitri.lascaris@siskinds.com.

INTERPRETATION

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE COURT OF QUEEN'S BENCH OF ALBERTA