



**SASOL PRESIDENT AND CHIEF EXECUTIVE OFFICER
DAVID E CONSTABLE**

**ETHANE CRACKER AND DERIVATIVES COMPLEX
FINAL INVESTMENT DECISION ANNOUNCEMENT
SEED CENTER
LAKE CHARLES, LOUISIANA
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Thank you, Governor Jindal for that very kind and warm introduction.

It's great to be back here in Louisiana, today, for this milestone occasion. And one can certainly feel the energy and excitement in the room.

On behalf of Sasol, let me start by extending a very special welcome to Kenneth Hyatt, Deputy Undersecretary, U.S. Department of Commerce; Bill Rase, Executive Director, Lake Charles Harbour and Terminal District; David Conner, Vice President, Southwest Louisiana, Economic Development Alliance; our friends from the governor's office and the SEED Centre; members of the Louisiana Economic Development; our business partners and colleagues; members of the media; ladies and gentlemen.

Thank you so much for taking time out of your busy schedules to join us here at the SEED Center for this afternoon's announcement.

Governor Jindal and all of the members of Louisiana Economic Development, thank you for your unwavering support, commitment and assistance over the years. We would certainly not be standing here today without the collective efforts of so many. Through your leadership, passion and foresight, you provide an extremely positive business climate which enables companies like Sasol to thrive.

Governor, it is no secret that your commitment to our success has been a key determining factor in our ability to put down deep roots here in Southwest Louisiana! And we have received such a great welcome from all of you here today! Thank you.

Now, in December 2012, many of us, here today, gathered for the announcement that Sasol was commencing with the front-end engineering and design phase of two proposed projects in Calcasieu Parish - a world-scale ethane cracker and derivatives complex and a gas-to-liquids facility. These two projects represent one of the largest foreign direct investments in the history of the country.

Today, just short of two years later, I am proud to say that Sasol's Board of Directors has approved the first of the two projects - the multi-billion dollar cracker complex. This enables us to immediately proceed with the facility's construction.

In addition, the gas-to-liquids project is currently in front-end engineering and design with the final investment decision scheduled towards the end of 2016.



Sasol is an international integrated energy and chemicals' company based in South Africa and we are also the world's largest producer of synthetic fuels. For over 64 years our growth has been premised on our leadership in innovation and technical expertise in converting gas and coal into liquid fuels and chemicals.

In recent years, we clarified our organisation's growth strategy, which is focused on maintaining and enhancing our presence in Southern Africa, while expanding further internationally, through the delivery of strategic growth projects.

Sasol's decision to move forward with our Louisiana ethane cracker is a defining moment in our company's history. It also represents a game-changing milestone in the execution of our two-pronged regional strategy in Southern Africa and North America.

Once commissioned, this world-scale petrochemical complex will roughly triple our chemical production capacity in the US alone. This will enable us to further strengthen our position in a growing global chemicals market. At the heart of the project is an ethane cracker that will produce 1.5 million tons of ethylene annually. The facility will benefit from abundant low cost U.S. ethane and significant economies of scale. The complex also includes six downstream chemical manufacturing plants where approximately ninety percent of the cracker's ethylene output will be converted into a diverse slate of commodity and high margin speciality chemicals. These derivative chemical products are destined for existing markets in which Sasol has an enviable position underpinned by strong collaborative customer relationships.

Despite a somewhat volatile global economic outlook, we are confident that we will deliver this project successfully by drawing on our experience of executing world-scale fuel and chemical facilities, and by enlisting the best employees and industry partners.

The Sasol team and our contracting partners all have great track records in project management, engineering, fabrication and the construction of similar large-scale petrochemical projects. This experience which is second-to-none is coupled with extensive expertise along the U.S. Gulf Coast.

By constructing this world-scale petrochemical complex, here, adjacent to our existing operations, we are establishing Sasol's Westlake location as an integrated, multi-asset site that will drive future growth. This project will also deliver tremendous benefits to the surrounding communities, the State of Louisiana, and the United States.



It will serve to enhance local investments, drive job creation, strengthen domestic manufacturing, promote exports, improve the country's balance of trade and GDP and generate government revenues.

By converting low-cost ethane into ethylene and associated specialty chemicals for use, here in the U.S. and elsewhere in the world, we are adding substantial value to an abundant domestic resource. This, in turn will create a range of economic and social benefits far beyond this region. Indeed the economic advantages of the expanded complex will extend to all of our shareholders sixty seven percent of whom are located in our home base of South Africa.

As our operations grow in Louisiana so too will our presence and involvement as a corporate leader and a contributing member of the community. Our specific focus, over the years, has been on education and workforce enhancement and economic development.

In the last few weeks, you may have read about the workforce scholarship programme that we are funding through the Community Foundation of Southwest Louisiana. This pilot programme will provide financial support for tuition, training costs, support services and counselling for the underemployed members of the local community who seek careers in support of our industry. This initiative complements the Southwest Louisiana Workforce Resource Guide, we introduced last year, and the tool is already helping local people build career paths in craft and skills positions.

We also announced the advanced funding commitment to the Southwest Louisiana Construction Users Council to enhance training infrastructure and the retraining of the local construction workforce. This programme will support not only our project but will also benefit many others that are at varying stages of development.

Building on these initiatives, today, I'm delighted to announce that Sasol, in partnership with the Louisiana Small Business Development Centre at McNeese University and the SEED Center Small Business Incubator, will be sponsoring the development of a small business resource guide.

Like the workforce resource guide, the small business guide will provide business owners with step-by-step instructions to doing business with larger more established businesses. Clearly, this initiative's main objective is the long-term sustainability of small business ventures in the region.

Turning back to our cracker project, as we move from planning to construction, we will begin to see increased activity and expansion at our Westlake site - all in an environmentally friendly fashion.



Just to give you one example of Sasol's commitment to the environment, our wetlands mitigation plan will increase both the quantity and quality of wetlands in the Calcasieu watershed. More specifically, Sasol will be replacing every acre of impacted wetlands with 2,6 acres of higher quality wetlands. And I have every confidence that our outstanding Sasol colleagues and our best-in-class industry partners will deliver a state-of-the-art facility, a facility we will all be very proud of.

A big thank you to Fluor Technip Integrated who was selected as the primary engineering, procurement, and construction management contractor for this project. FTI, as they are known, is a joint venture of two world-class firms formed specifically for the execution of this project.

Sasol's management team is also supported by WorleyParsons who bring with them significant experience in the management and execution of mega-projects. With such fantastic partners working with us we are definitely set up for success.

So, on behalf of everyone at Sasol, let me close by saying that we are thrilled to be moving ahead with this project and excited to be flying the South African flag proudly, as we expand our presence here in Louisiana.

Thank you again to everyone, here today, for your unwavering support and commitment to making this project a reality.

In large part, Sasol chose Southwest Louisiana for our U.S. mega-projects because of its efficient transportation and energy infrastructure. Here, the Calcasieu ship channel, the intra-coastal waterway, and the port of Lake Charles are all key.

Let me now introduce Bill Rase the Executive Director of the Lake Charles Harbour and Terminal District, a crucial partner in this project.

Thank you very much. Bill.

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