FINAL RESULTS ANNOUNCEMENT

MONDAY, 20 AUGUST 2018 AT 10H00

JOHANNESBURG

MEDIA PRESENTATION

SPEAKER NOTES

SASOL CFO

PAUL VICTOR

SLIDE 13: TITLE SLIDE

Thank you Steve and Bongani, and good morning ladies and gentlemen.

It is my pleasure to present our 2018 final financial results to you today.

Our results are at the mid-point of the earnings range provided in our recent trading statement.

Our drive towards growing shareholder value sustainably is guided by our continuous focus on:

- a sustainable delivery of operational and capital efficiencies,
- continuously improving our cost competitive position,
- managing the balance sheet's risk prudently by means of our financial risk management strategy,
- and growing the value of the business as informed by our focused strategy and disciplined capital allocation

With this in mind, I will now turn to our financial year 2018 year's results and how it contributed towards delivering on our value based strategy:

- First, the improving oil price had a significantly positive impact on our results. This was further complemented by a stellar second half cost performance resulting in us delivering a normalized cash fixed cost increase in line with market guidance.
  The stronger average and volatile closing Rand rate had some negative impact on our results.

- Largely as a result of the stronger Rand the NPV of future cashflows of our South African Chlor Vinyls and PVC cash generating unit have been adversely impacted resulting in a R5,2bn impairment.

- Looking forward, based on the success of our BPEP and low oil price response plan that we are well positioned and actively working on sustainably improving our cost competitiveness, improving operational and capital efficiencies in an environment of pursuing zero harm.

  This is the culture of Continuous Improvement we adopted to drive sustainable value for all stakeholders.

- Our expectation of a robust rand oil price over the short to medium term, the reduction of capital spend on the LCCP, combined with a step-up in incremental earnings from LCCP, will accelerate our free cash flow inflection point towards the end of FY19.

- Key to maintaining our optimal capital structure is our funding strategy, which considers the type of debt instrument, the maturity profile and cost of funding. Our strategy is to better spread the maturity profile of the debt instruments which will allow us with the flexibility effectively execute our value based growth strategy.

Finally, I will also share with you Management's outlook for FY19, which is a defining year for Sasol's compelling investment case.

SLIDE 15: VOLATILITY IN A GROWING GLOBAL ECONOMY

Sasol delivered a strong underlying cash flow performance, underpinned by higher sales volumes and much higher crude oil and product margins especially during the second half of the year. We continued to see strong demand for our chemical products, which contributed to this resilient cash earnings performance.

Oil prices improved to $64 per barrel on average in FY18, compared to $50 per barrel in the prior year, with prices forecast to trend between $65 and $75 per barrel in FY19. Oil markets remain exposed to shifts in geo-political risks as well as supply and demand movements. This oil price range will position us very well to grow future earnings.

During FY18, the rand/US dollar exchange rate averaged R12,85 compared to R13,61 for the prior year. We do remain cautious with regards to the impact of a volatile Rand exchange rate on our business going forward.

To mitigate against these risks, we are of the view that our hedging programme is a key component of our financial risk management framework to provide certainty as we manage peak gearing and ensure sufficient liquidity for the company. We intend to continue with a prudent hedging strategy following our peak gearing, to ensure effective balance sheet management and to protect cash flows needed to execute on our value based strategy. For now, we have completed our FY19 hedging program.

Lastly, the Base chemicals dollar basket price increased by 12%, following upward trending oil prices.

The PC dollar basket price increased by 8% mainly as a result of a strong demand for our products across most of our value chain.

Fuel and energy products prices increased broadly in line with higher dollar based oil prices.

However, the stronger average Rand significantly impacted the Energy, BC and PC business results measured in Rand terms.

SLIDE 16: STRONG UNDERLYING CASH PERFORMANCE

I am pleased to announce that EBITDA, increased by 10% year-on-year. Core HEPS, which is HEPS adjusted for re- measurement and once-off items and the impact of period-end currency revaluations, amounted to R36,03 per share which is 6% lower compared to the prior year, reflecting the underlying resilience of our business.

The results of our individual operating business units will be covered in following slides.

Operating profit of R17,7 billion was down 44%, as the benefits of higher dollar based oil and chemical prices were offset by a stronger Rand and the impact of re-measurement items and once-off items that I will unpack on the next slide.

A final dividend of R7,90 has been declared in line with the company's cover based dividend policy, which results in a total dividend per share of R12,90 for the year. Using Core HEPS as the basis of for the dividend, investors have been protected against the impact of significant non-cash period-end adjustments such as the Sasol Khanyisa income statement charges.

Important to note is that our gearing levels increased to 43% as at 30 June 2018 and remains below our peak gearing target of 44%.

The increase is mainly as a result of the settlement of the first tranche of Inzalo debt in June 2018 and the translation impact of the higher closing exchange rate on our balance sheet debt.

Today, I am pleased to announce that the Sasol Board approved that we will also settle the second tranche of Inzalo debt by repurchasing the final 16.1 million shares in September 2018.

Balance sheet health, sustaining our investment grade ratings and minimizing equity dilution for shareholders were key considerations in reaching this decision.

While this will result in higher gearing levels for FY19 this decision will not translate into a 4% dilution for shareholders and further demonstrates our commitment to protect and grow shareholder value within the context of managing balance sheet levels to within investment grade.

SLIDE 17: OPERATING PROFIT IMPACTED BY REMEASUREMENT ITEMS AND KHANYISA SBP

I will now take you through the key items impacting the operating profit compared to the previous year.

I will be walking you through the slide from top to bottom :

The stronger average R/$ exchange negatively impacted operating profit by 7%.

Higher dollar based crude oil, fuels and chemicals product prices positively affected operating profit by 34%.

A number of significant once-off and re-measurement adjustments negatively affected operating profit by 48%. Re-measurement items were R8,3 billion higher compared to the prior year. The key items were:

- a full impairment of the South African Chlor Vinyls and PVC business of R5,2 billion on the back of a stronger long-term Rand exchange rate;
- a partial impairment of the Mozambique Production Sharing Agreement of R1,1 billion or US$94 million mostly as a result of lower than expected oil volumes. The PSA's gas investment case still remains comparable to Board approved FID returns.
- as previously communicated at interim results, us recording a partial impairment of the Canadian shale gas assets as well as the scrapping of our US GTL assets.

Once-off items, as reported under Group Functions, mainly impacting our results are:

- as previously communicated to the market, a R3,0 billion share based payment charge related to the Khanyisa share scheme

- Unrealized losses of R1,9 billion on the valuation of open hedges as at 30 June 2018, mainly as a result of put option charges paid to protect the balance sheet at oil prices below approximately US$53 per barrel

Operating profit was negatively impacted by 16% due to cost inflation. Normalized cash fixed costs increased by 5% and is below the 6% guidance at our interim results presentation.

Increases above inflation will be unpacked on the following slide.

Sales volumes were mostly negatively affected by production interruptions in the South African value chain and the impact of Hurricane Harvey on our Performance Chemicals business in the USA.

SLIDE 18: CASH FIXED COSTS

As mentioned before, we have firmly embedded a very strong cost culture at Sasol and we are continuously looking for areas to sustainably reduce costs in our pursuit of protecting and improving our cost competitive position.

We delivered a stellar second half cost performance. This resulted in normalized cash fixed costs remaining flat for the year in real terms and within market guidance provided.

Walking you through the slide from top to bottom :

We have normalized our cash fixed costs for the following items:

- growth costs increased our cash fixed costs by 1.1% and mainly relates to costs incurred on our capital projects in the USA. These growth projects will however significantly increase our future earnings
- Second, Business establishment costs and once-off items contributed 2.4% to the overall cash fixed cost increase and mainly relate to the pre-investment costs associated with our digital transformation program aimed at further improving our future cost competitiveness,
- as well as once-off transaction costs associated with our Sasol Khanyisa transaction and the loss in benefits as a result of the termination of our Power Purchase Agreement with Eskom since April 2017.
- SA PPI remained below 5% and the exchange rate had a muted impact on cash fixed costs
- Delivering a normalized cash fixed cost performance in line with a 6% inflation target remains a key business priority

SLIDE 19: MINING AND EPI OPERATING OBUs

Let's turn our attention to the Operating Business Units:

Let us start off with Mining.
Mining is still progressing well in ramping up to targeted productivity levels.

The Business Improvement Plan has yielded pleasing results to date especially measured against the FY18 quarter four achieved run-rates. Our focus however is to sustainably maintain this momentum in terms of safety, operational reliability and ensuring a continuous supply of coal to the Sasol integrated value chain.

Normalised unit cost of production still increased by 5% to R284/ton, as per previous market guidance. EBIT was up 41% much supported by higher profitability in our export business.

Our coal stockpiles have been fully restored and resulting in us returning back to purchase approximately 5 million tons of external coal in FY19.

E&PI recorded normalised earnings of R270 million.

The Mozambique assets recorded an EBIT of R2bn, on the back of higher gas sales prices and somewhat offset by lower demand. Our primary focus in Mozambique is securing long term gas feedstock to supplement our existing reserves.

Our Gabon asset recorded an increase in EBIT to R537m, mainly due to higher sales prices and partly offset by decreasing volumes resulting from the natural decline of the field.

Our Canadian assets recorded a normalised earnings loss of R815m as a result of lower production and lower North American gas prices.

SLIDE 20: PERFORMANCE AND BASE CHEMICALS SBUs

We continue to see strong demand and higher dollar margins for our chemicals products. The chemical businesses continue to provide resilience to the overall group's earnings in a volatile Rand oil price environment.

Performance Chemicals recorded EBIT of R8.2bn down 7% compared to the previous year. Normalised earnings in US dollar terms increased by approximately 2% compared to the previous financial year. Product margins measured in US dollar terms increased by 8% and supported by continued strong demand for most of our product lines.

Despite unplanned production interruptions and the impact of Hurricane Harvey, sales volumes increased by 1% mostly supported by a very strong production performance of our German assets.
Normalised cash fixed costs have also been contained to within inflation for the financial year.

We do expect a robust Performance Chemicals volume and earnings performance for FY19 as we also start to commission the LCCP ethylene oxide unit.

Base Chemicals recorded normalized earnings of R5.2 bn mostly supported by higher dollar selling prices, but significantly impacted by the stronger average rand. The stronger average Rand reduced earnings by R1,8bn compared to the previous financial year. Normalised cash fixed costs have been contained to within inflation.

It is pleasing to report that our HDPE joint venture plant achieved beneficial operations during the year and has significantly ramped up production, well within our expectations.

We do expect a step-up in real earnings growth for FY19 as HDPE contributes for a full year, and the LCCP polyethylene units are brought into use.

SLIDE 21: ENERGY SBU

Energy recorded normalized earnings of R15,1 bn up 12% compared to the previous financial year. Margins mostly improved as a result of higher international prices of refined products, effective cost management and an excellent performance of our Oryx Gas-to-Liquids (GTL) asset.

The increase was partly offset by the lower liquid fuels and gas sales volumes and the impact of a stronger rand exchange rate.

Natref, delivered a strong second half production volumes performance despite a challenging the first half performance. We do expect the positive production run rate to continue in FY 2019.

ORYX GTL delivered a strong production performance coupled with higher oil prices. The plant achieved a 95% average utilization rate which was higher than market guidance.

Oryx recorded an operating profit of US140m which is 116% up from the prior year.

Management has been successful to manage costs for a second year to below inflation.

SLIDE 22: CAPITAL EXPENDITURE

Our actual capital expenditure, including accruals, amounted to R53 billion. This included R30 billion or US$2.3 billion relating to the LCCP and is slightly below previous market guidance provided.

Our capital expenditure forecast of R38 billion for FY19 support the execution of our strategic projects in North America and Southern Africa, and include approximately US$1.1 billion for LCCP.

Our capital forecasts have been calculated taking a R13 exchange to the US Dollar into account.

Rand volatility will have an impact on these estimates as a significant portion of the capital expenditure is dollar based.

Our capital forecast for FY19 and FY20 is based on us managing the sustenance capital spend to R20 billion or US$ 1.5 billion per year.

SLIDE 23: A DEFINING FY19

Macroeconomic volatility is very much anticipated to continue in FY19. Within this context to do expect the following delivery from our assets :

- Mining to ramp-up to planned and targeted production levels
- Performance Chemical's sales volumes, excluding LCCP, to be between 2-4% higher and average US dollar margins to remain resilient for most of the product lines
- Base Chemicals sales volumes, excluding US produced volumes, to be between 2-3% higher with US dollar basket prices tracking oil prices.
- The US HDPE plant is forecast to achieve a utilization rate in excess of 90% for FY19.
- As a result of a planned full Secunda shutdown in FY19, that South African liquid fuels sales volumes will range between 57 and 58 million barrels and Secunda Synfuels Operations to achieve production volumes of between 7,6 and 7,7 million tons.
- An ORYX average utilisation rate of 95%.

Normalised cash fixed costs are expected to track our forecasted inflation rate of 6%.

On the macroeconomic front, we forecast the Rand/US dollar exchange rate to range between R12,50 and R13,50; and average Brent crude oil prices to remain between US$65/bbl and US$75/bbl.

Our balance sheet gearing to range between 40 - 44% and net debt to EBITDA to remain below 1,9 times.

Lastly and taking these assumptions into account we do expect a step-up in our earnings for FY19.

SLIDE 24: COMPELLING INVESTMENT CASE

Our overarching objective is to deliver superior and balanced value to our shareholders.

Our investment case is rooted in our identity as a chemical and energy company with diversification of earnings and geography.

Investing in Sasol provides exposure to our robust foundation business, which leverages feedstock advantaged operations and integrated value chains to produce high value products at a low oil cash break-even levels.

This competitive position will be further enhanced by the LCCP's cash contribution, streamlining the portfolio with the Asset Review Process, and delivering further value from our Continuous Improvement drive.

Our enhanced strategy and refocused approach to capital allocation will allow for clear and specific value growth choices.

We expect this to translate into:

- ROIC and EBIT targets which are aligned with shareholder value creation,
- increased dividend returns stepping up from the current 36% payout ratio, to target a future dividend payout ratio of 45%,
- a significant improvement in free cash flow per share,
- a balanced and diversified portfolio targeting smaller and medium sized projects, with partnering as an option for larger projects, in an effort of building a robust asset portfolio at the lowest possible risk,
- supported by a fit for purpose capital structure which preserves our

investment grade rating and enables future access to capital markets

- As we prepare for the first units of LCCP coming on line and the expected increased cash flow, our balance sheet will start to deleverage from FY20.

- We are committed to a disciplined capital allocation framework which will prioritise dividends for our shareholders as we target maximum sustainable shareholder returns and quality growth.

We are very well positioned to deliver competitive value to our shareholders compared to our peers.