SASOL'S JOINT PRESIDENTS AND CHIEF EXECUTIVE OFFICERS, BONGANI NQWABABA & STEPHEN CORNELL

2018 ANNUAL RESULTS ANNOUNCEMENT (MEDIA PRESENTATION)

MONDAY, 20 AUGUST 2018 AT 10H00 JOHANNESBURG

[STEPHEN] Slide 3: INTRODUCTION

Good morning everyone, and thank you for joining us for Sasol's 2018 annual results presentation.

In 2018, the strategic priorities we drove were underscored by value, focus and discipline: we refined our strategy to drive sustainable **value** creation, sharpened our **focus** to leverage our core strengths, while embedding increased **discipline** in how we allocate capital.

Our results for the 12 months ended June 2018 reflect another resilient performance, which was underpinned by higher sales and production volumes, particularly in the second half of the year.

During the reporting period we benefited from higher crude oil prices that led to improved product prices and margins. However, this was somewhat offset by a stronger average rand/US dollar exchange rate.

Notwithstanding unplanned external and internal outages at our Secunda Synfuels Operations, our operational performance for the period was generally satisfactory.

On the whole, through our sustained focus on factors within our control, we delivered a strong performance, recording steady progress against our value-based strategy. Over to you Bongani.

[BONGANI] Slide 4: What you will hear today

Thank you for that introduction Steve and good morning everyone. I will now take you through the key messages you will hear from us today.

Notwithstanding a volatile rand environment, which on average was 6% stronger than the comparable period last year, we delivered a resilient set of results in financial year 2018.

As Steve mentioned, we experienced unplanned outages at our Secunda Synfuels Operations. We consider these and other operational challenges as isolated issues and remain confident that we have a robust asset management strategy to keep our plants running safely, efficiently and reliably.

We continue to record steady progress in delivering the LCCP. The steam utility system, a critical component and a key enabler for the start-up of other units, was safely and successfully commissioned earlier this month.

Sasol recognises that we have a particular responsibility to respect and care for the health and safety of our people, the environment and communities where we operate. Maintaining our focus on sustainable value creation is integral to upholding our commitment.

Finally, as we continue to maximise value from our existing portfolio of diversified assets and drive growth in our chosen areas, we will provide you with a high level update on our strategy.

Paul will, of course, go into more detail on our financial and operational performance for the year. After that we will open the session for any questions you may have.

[STEPHEN] Slide 5: Resilient set of results in a volatile Rand environment

I will now highlight a few of the salient features of our financial and operational results. Paul will go into much more detail as part of his presentation.

The average Brent crude oil price moved 28% higher to $64 per barrel, which positively impacted our results. This was offset by an exchange rate which was 6% stronger, or R12,85 to $1, which negatively impacted our results.

Our underlying cash flow performance was very robust. Earnings before interest, tax, depreciation and amortisation (EBITDA), which is a good proxy for the underlying cash flow of the business, increased by 10% when compared to the prior year.

Core headline earnings per share (HEPS), however decreased by 6% to R36,03, while HEPS decreased 22% to R27,44.

Turning to our cost performance, normalised cash fixed costs remained flat in real terms – a continuation of our excellent cost control performance of recent years.

Owing to our performance, and other factors, the Board declared a final dividend of R7,90 per share based on Core HEPS, resulting in a total dividend of R12,90 per share.

Now, let's look at our operational performance.

For the reporting period, our safety recordable case rate was 0,27, our lowest to date.

Regrettably, our safety performance was marred by four tragic employee losses. They were Mr Nelson Vilanculo, Mr Dumisani Sibanyoni, Mr Mandla Mahlangu and Mr Nefthali Sepeame.

We again express our sincere and heartfelt condolences to their families, colleagues and friends.

For the 12 months to 30 June 2018, we recorded a satisfactory sales and operational performance across the value chain.

Sales volumes increased by 1% for our Performance Chemicals business spurred by robust market demand.

Base Chemicals reported a 1% decrease in sales volumes as a consequence of production interruptions and due to an initial stock build for our high density polyethylene joint venture in the US.

Liquid fuels sales volumes were down 2% due to lower volumes from Secunda Synfuels Operations and Natref, as well as a challenging local retail liquid fuels market.

If we look at our operational performance, production volumes from Secunda Synfuels Operations decreased by 3% to 7,6 million tons, which Bongani will unpack on the next slide.

Our Eurasian operations increased production volumes by 3% due to stronger product demand and increased plant availability. Our Sasolburg Operations, recorded a commendable 2% increase in volumes. Additionally, ORYX GTL delivered a 95% average utilisation rate.

[BONGANI] Slide 6: Robust asset management process

As already highlighted, Sasol experienced isolated challenges with regards to our operational performance during the year.

To improve the reliability of Eskom's interface with Synfuels, we have taken various steps. Firstly – we have brought redundancy into the electricity supply system to improve asset maintenance.

Secondly – we have initiated a project to limit any future electricity supply interruptions by creating more flexibility of electricity feed to our plant.

The two internal outages at Synfuels related to a fire on the transformer and a crack on the oxygen line. This resulted in a volume loss of around 115 kilotons.

These events, which occurred mainly in the first half of the year, galvanised us to steadfastly improve our operational processes and plant efficiencies to realise better production yields.

By way of example, our production run rates achieved during May and June 2018, support a full year production of approximately 7,8 million tons at Synfuels. This substantial improvement in performance augurs well for our anticipated performance in FY19.

Notwithstanding our strict focus on cost, we have kept maintenance spend within industry norms. This, combined with our Standardised Asset Management process delivered by a strong and experienced team, ensures that we do not compromise on safety, reliability and sustainability of our operations.

[STEPHEN] Slide 7: LCCP on track

Let us now turn our attention to North America.

Calendar year 2019 will be a defining year for Sasol with the start-up of the LCCP in the US, a catalyst for transforming our earnings profile. This will be both in terms of the geographic spread of our earning streams, as well as the contribution split between our chemicals and energy businesses.

We are making good progress with the project in Lake Charles and indications are that the cost of the project will remain within the previous market guidance of $11,13 billion.

As at end June 2018, engineering, equipment fabrication and procurement were complete, with the overall project at 88% complete and construction at 68%. Capital expenditure amounted to $9,8 billion.

A significant milestone was achieved when the first steam was produced on 1 August 2018, a few weeks earlier than planned. The project remains on track to start up the first three major production units by the end of December 2018. These are the first polymer unit, steam cracker and Ethylene Oxide unit.

The expected start-up date of the remainder of the manufacturing units remains calendar year 2019.

Our marketing and distribution channels have been negotiated for effective product placement. This, bolstered by global market demand that is poised for long-term growth, allow us to deliver a differentiated product mix through LCCP.

We expect to deliver on our FY19 EBITDA guidance of $250 million to $300 million, as we target LCCP steady state EBITDA of $1,3 billion by FY21.

[BONGANI] Slide 8: Maintaining our focus on sustainable value creation

As part of our sustainability framework, we ensure that we holistically manage Environmental, Social and Governance or ESG risks and opportunities.

Our commitment to environmental sustainability is to minimise the environmental impacts of our operations. This is reflected in our strategic decision not to pursue coal-to-liquids growth, and to focus on gas as a bridge to a lower-carbon economy.

Informed by ongoing engagement with stakeholders and interested parties, we follow a transparent and collaborative approach to environmental compliance.

As a founding signatory to the South African Energy Efficiency Accord, we have a long-standing commitment to promoting energy efficiency as a key business driver, in addition to the benefit of greenhouse gas reductions.

Since 2013, we achieved a cumulative energy efficiency improvement of 22% and we are targeting a further improvement of 1% annually between 2019 and 2030.

While uncertainty remains in respect of the South African Government's effective implementation date to introduce new fuels specifications, known as Clean Fuels 2, we are progressing work to determine cost-effective solutions at Secunda and Natref.

Regarding air quality, we remain committed to compliance and to promoting sustainable ambient air quality improvement, thereby minimising the environmental impact of our activities. In this regard, we remain on track to advance our committed air quality standards and offsets roadmaps.

In the interest of greater transparency of climate change disclosures, we have also adopted the Task Force on Climate-related Financial Disclosures guidelines.

[STEVE] Slide 9: Continued focus on social development and good governance

Our social programmes seek to ensure sustainable value creation for society, which we deliver through a range of programmes and initiatives.

During the reporting period, we signed up to the Youth Employment Service or YES Programme, committing to train a further 1 000 interns over the next four years.

In South Africa, our workforce comprises 69% Black employees who in turn comprise 58% of junior to top management in the company. We also successfully implemented our new Broad-Based Black Economic Empowerment ownership structure, Sasol Khanyisa, on 1 June.

I am also delighted to report that we increased our spend with Black-owned businesses from R7,4 billion last year to R12,7 billion in FY18, while our SMME loan book currently stands at around R300 million.

In Mozambique, we continue to partner with and through its citizens to realise tangible benefits and maximise impact for local communities.

This past year, we also invested more than R800 million towards social investment programmes and R1 billion in bursaries, learnerships and employee skills development globally.

From a governance standpoint, diversity and inclusion at all levels of the business are essential to the sustainability of Sasol. Last year, the Board set a target of 30% representation of women directors by 30 June 2019. During the reporting period, we achieved 33% with five women serving on the Board, three of whom are Black.

Lastly, at our AGM held in November last year, more that 90% of our shareholders voted in favour of our current remuneration policy.

[BONGANI] Slide 10: Progressing with our strategy

In November last year, we shared our value-driven strategy, which sets us on a clear path to deliver sustainable growth and accelerated shareholder returns.

As confirmed then, we will deliver value-based growth underpinned by a number of clear choices that drive our focused strategy and enhance our foundation businesses.

We will now provide a synopsis of progress made in executing our strategy.

[BONGANI] Slide 11: Progressing with our strategy

We recognise that organisational culture is a key enabler to delivering on our strategy.

In this regard, we are driving a specific focus to proactively address fatalities and high severity injuries in our pursuit of zero harm, which we are rolling out across the organisation.

Additionally, our aspirational culture efforts are focused on building a resilient organisation where all our employees experience Sasol as a great place to work.

Equally, the importance of transformation, underpinned by diversity and inclusion, is a critical enabler of both culture and strategy.

[STEPHEN] Slide 12: Progressing with our strategy

In line with our growth areas, we are also advancing opportunities in our Upstream, Energy and Chemicals businesses.

In chemicals, we are analysing growth options in high-value specialty chemicals in differentiated markets. We are doing this by firstly – streamlining the Performance Chemicals portfolio with a focus on Organics, Waxes and Advanced Materials; secondly – developing incremental growth options in key-end market applications; and thirdly – advancing business readiness for near-term growth from LCCP and expansion of our China surfactants business.

[STEVPHEN] Slide 13: Progressing with our strategy

Looking at Upstream, crucial for the sustainability of our integrated Southern African value chain is long term security of gas feedstock.

Here, Mozambique continues to be a long-term strategic partner to develop and produce gas to market.

Gas from the PSA in Mozambique is prioritised for the development of a gas-to-power plant in that country. While the optimal size and capital investment is being determined, surplus gas monetisation options will be jointly developed with our partners.

Further and focused exploration will be prioritised in the near term, where development will follow demand to ensure we maximise shared value and minimise market risk to Sasol and our partners.

[STEPHEN] Slide 14: Progressing with our strategy

In our Energy business, we have identified options for increasing our margin in liquid fuels marketing, opening 12 new Sasol-branded retail convenience centres in FY18, with a further 15 planned for FY19.

We are also progressing with value-accretive acquisitions of super-dealers and continue to evaluate major acquisition opportunities, guided by our capital allocation framework.

[BONGANI] Slide 15: Progressing with our strategy

Key to enhancing our foundation businesses, is accelerating efforts to embed continuous improvement.

In this regard, we are actively and continuously managing our portfolio of assets. We will retain or fix those assets that will increase our returns, while exiting those that are not in line with our strategy and have lower than desired returns.

Approximately 75% of our assets review has been completed with the majority of assets to be retained and with some earmarked for growth.

Assets worth more than $1 billion in net asset value have been identified for divestment. These include our shareholding in our Malaysian assets which we sold to PETRONAS for $163 million.

We have also commenced active marketing for our Canadian shale gas assets. As we progress with this and other divestments, we will update the market accordingly.

In terms of business enhancement, our continuous improvement drive is aimed at ensuring our enduring competiveness at an oil price of $40 per barrel.

Our target to lift ROIC by two percentage points by FY22 through continuous improvement, a focus on gross margin, fixed costs and invested capital are the key value drivers.

We have already identified 50% of the value enhancing opportunities, focusing on customer engagement solutions, our functions and improving the reliability and margins in our energy value chain.

One of our key continuous improvement levers is digitalisation, which has been positioned as a value enabler across all businesses globally.

Paul will now take you through the detail of our financial and operational performance. We will then open up the session for questions.

Thank you.