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

2018 INTERIM RESULTS ANNOUNCEMENT (MEDIA PRESENTATION)

MONDAY, 26 FEBRUARY 2018 AT 10H00 JOHANNESBURG

[BONGANI] Slide 3: INTRODUCTION

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

This is our first results announcement since sharing our refined corporate strategy, which sets us on a clear path to deliver sustainable growth and accelerated shareholder returns.

As confirmed in November last year during our Capital Markets Day, our short-term strategic focus between now and 2022 is to enhance our robust foundation business.

This entails driving delivery of the Lake Charles Chemicals Project (LCCP) and the Production Sharing Agreement (PSA) in Mozambique.

In addition, we will maximise value from our existing portfolio of diversified assets through robust asset reviews, continuous improvement and digitalisation initiatives. This will ultimately enhance our competitiveness, reduce our cost base and improve our return on invested capital.

Our results for the first six months of financial year 2018 reflect a largely strong performance and continuing progress in delivering on our strategic priorities.

Over to you Steve.

[STEPHEN] Slide 4: WHAT YOU WILL HEAR TODAY

Thank you for that introduction Bongani. Good morning everyone.

I'll now take you through the key messages you'll hear from us today.

Our sustained focus on cost, cash and capital conservation drove a largely strong set of results within the context of a volatile, but broadly growing global economy.

Our results reflect both a continuation of prudent cost and capital management for the period, as well as the impact of several growth projects requiring additional resources for start-up and continuous operations.

We are making steady progress in delivering the LCCP with our focus firmly on commissioning, operations and business readiness. In addition, other smaller projects, such as our Gemini joint-venture High Density Polyethylene plant in the US and the 17th Oxygen Train in Secunda, have now reached beneficial operation.

In line with our intent to deliver sustainable returns earlier to our shareholders by increasing dividend payouts, we are changing our dividend policy to a more consistent Core headline earnings per share (HEPS) base. Paul will elaborate on this later.

We continue to actively manage our balance sheet enhanced through a pro-active hedging programme. This hedging programme has been quite successful in mitigating global volatility impacts on Sasol and we expect to remain active in this space for the near to medium term. We have also improved our overall funding position.

Here at home, our commitment to Southern Africa, remains strong and active. We have, and will continue to ensure that our stakeholders derive benefits from our presence and that we are regarded as a trusted partner. For this reason, we maintain a robust sustainability and heightened investment focus in the region.

To conclude what Bongani and I will share, I will elaborate on the reasons why Sasol remains a compelling investment proposition, underpinned by our focused strategy and disciplined capital allocation framework.

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

[BONGANI] Slide 5: LARGELY STRONG EARNINGS PERFORMANCE DRIVEN BY HIGHER OIL PRICES

I will now take you through the salient features of our operational and financial results for the six months ended 31 December 2017.

For the reporting period, our safety recordable case rate was 0,30, as compared to 0,27, for the same period last year.

Regrettably, our safety performance was marred by two fatalities, and a further three tragic fatalities, post 31 December 2017.

I wish to acknowledge the employees we lost and express our sincere and heartfelt condolences to their families, colleagues and friends.

The employees we lost are: Mr Nelson Vilanculo, Mr Dumisani Sibanyoni, Mr Sam Khoza, Mr Mandla Mahlangu and Mr Nefthali Sepeame.

We are deeply disheartened and utterly disappointed by these losses and are redoubling our efforts to eliminate fatalities and high severity incidents, with a particular focus on our mining operations.

For the six months to 31 December 2017, we recorded a satisfactory sales and operational performance across the value chain.

Our Performance Chemicals sales volumes increased by 3% mainly due to increased market demand. Our normalised Base Chemicals sales volumes decreased by 1% mainly due to lower volumes from Secunda Synfuels Operations.

Production volumes from our Eurasian Operations increased by 2% due to stronger demand and increased plant availability.

Natref's production volumes were down 21% owing to planned plant shutdowns and an unexpected Eskom electricity supply interruption at the start of the financial period. This, together with softer market demand, lowered our liquid fuels sales volumes by 3%.

Production volumes from Secunda Synfuels Operations decreased by 1% due to a planned shutdown. Based on the current plant performance, we now expect to produce 7,7 million tons for the full financial year.

At Mining, stabilising our operations post the strike in financial year 2017 has been a challenge. We have seen some improvement in production run rates and will maintain focus on reaching the productivity rates we achieved prior to the strike.

Several of our capital projects also reached beneficial operation during the period under review, as Steve mentioned earlier.

In terms of our financial results, we benefitted from higher crude oil and product prices.

Over the period, headline earnings per share were up 17%, to R17,67 per share. Earnings per share were down 21% to R11,29. Core headline earning per share, which is reflective of our sustainable profitability, was up 5% to R18,22.

Our low oil price Response Plan achieved capital conservation and cash savings of R6,2 billion for the period. This brings the total capital and cash conserved since January 2015 to R75,6 billion, which exceeds our target of R65 to R75 billion. We have also delivered sustainable annual cash savings of R3,5 billion.

Cash fixed costs, excluding capital growth and once-off business establishment costs, increased by 2% in real terms, however, we expect to track our inflation assumption of 6% for the full year.

Taking into account the current volatile macro-economic environment, our capital investment plans and the current strength of our balance sheet, the Board declared an interim dividend of R5 per share based on Core HEPS.

[STEPHEN] Slide 6: STEADY PROGRESS AT LCCP

Let us now turn our attention to the Lake Charles Chemicals Project (LCCP).

As we have said before, LCCP is a game changer for Sasol. Once commissioned, this world-scale petrochemicals complex will triple our chemical production capacity in the US, enabling Sasol to further strengthen our position in a growing global chemicals market.

It will also add up to 20% to EBITDA or $1,3 billion by financial year 2022.

As at 31 December 2017, the project was 81% complete with construction execution around 54%. Capital expenditure is currently at $8,8 billion of the $11,13 billion project cost.

We are very pleased to see an improvement in productivity post Hurricane Harvey and will continue to closely monitor the productivity rates as we approach beneficial operation for the first units in the second half of calendar year 2018.

The tax reform in the US has positively impacted on the returns of the project and we expect, based on our current interpretation of the reform, that it will contribute around 0,5% to returns.

Based on our internal assessment, we are of the view that the long term internal rate of return (IRR) is in a range of between 7,5% to 8,5%, based on conservative ethane prices. We will be reviewing these assumptions in the coming months in light of accelerated shale oil development in the Permian Basin of North America.

At Spot Prices, using the last quarter of calendar year 2017 as a reference, the IRR is between 9% and 9,5%. These updated numbers include the benefits from the tax reform and lower spot ethane prices.

Our focus for LCCP remains commissioning, operations and business readiness, in addition to full execution. To this end, the progressive start-up of utilities is ongoing and gaining momentum.

We continue to engage with prospective customers and around 90% of our specialty chemicals products will be placed with existing customers.

We are also very happy to confirm that our first sales from the Gemini HDPE joint-venture have been completed.

[BONGANI] Slide 7: STRONG BALANCE SHEET ENHANCES SHAREHOLDER VALUE

Within the 2018 to 2022 timeframe, we are driving a focused strategy to ensure we actively mitigate our financial risks and maintain a prudent approach to protect and strengthen our balance sheet. This will ensure we maintain our investment grade credit rating.

As confirmed in November last year, we will step up shareholder dividend payouts to 40% or 2,5 times cover by 2022. As mentioned earlier, this payment will now be based on Core HEPS.

During this timeframe we will also undertake incremental investment in our existing assets, adopting a balanced approach of growth and returning value to shareholders.

We have entered into various hedging contracts to protect the company against volatility in commodity prices, currencies and interest rate changes. This will continue beyond our peak gearing period.

Within our existing business we are looking to drive further value: delivered through our continuous improvement programme. Notwithstanding our past success, we see more opportunity, supported by our asset reviews and digitalisation efforts, to provide even higher earnings and returns from these facilities. A relentless focus to capture these opportunities can be expected.

We will also actively and continuously manage 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. Here we are targeting more than $1 billion in divestment opportunities which will yield additional liquidity benefits.

Our actions will result in a deleveraged balance sheet, targeting a 30% gearing and net debt to EBITDA ratio of 1,5 to 2 times.

Furthermore, unwinding the Inzalo transaction will be structured to ensure that our credit ratings are maintained at investment grade, while ensuring the least amount of dilution to our shareholders.

These deliberate, proactive and focused actions, in addition to lower capital spend, will ensure we are free cash flow positive in financial year 2019.

[STEPHEN] Slide 8: CONTINUED SUSTAINABILITY AND HEIGHTENED INVESTMENT FOCUS IN SOUTH AFRICA

Today Sasol is a global company, but in so far as South Africa is concerned, we remain proud of our home market and our commitment to the country has never wavered.

South Africa is where the majority of our employees are based – housing 90% of our 31 000-strong global workforce – and where we continue to invest significant capital, both for growth and sustenance, as well as social investment.

We are particularly encouraged by recent developments in South Africa that signal a more stable political and investor friendly outlook. A more conducive business environment will create even greater opportunities for Sasol to be a force for good.

We are firmly committed to sustainable transformation and broad-based black economic empowerment. In our recent verification, Sasol achieved a Level 6 contributor status representing a key milestone in our journey of achieving at least a Level 4 contributor status by 2020.

In addition, for the reporting period, we procured R4,9 billion in goods and services from black-owned businesses.

Our shareholders approved the Sasol Khanyisa B-BBEE transaction on 17 November 2017, which marks a significant milestone in achieving our B-BBEE ownership credentials.

In the past six months, we invested over R630 million in skills and socio-economic development programmes in South Africa.

Of this total, we disbursed R530 million towards education and skills, while R100 million was invested in community development, which includes programmes in the local municipalities of Sasolburg and Secunda.

The focus of our social investment programmes is primarily on our fenceline communities and their needs. Hence we focused on improvements in municipal service delivery, community infrastructure, enablement of small, medium and micro enterprises, vocational skills and early childhood development.

On capital projects, we recently inaugurated our completed FT Wax Expansion Project, and in March, we will inaugurate the world's largest oxygen production unit, built by Air Liquide, in Secunda.

Over the past three years, our capital investments have totalled over R20 billion in South Africa. For this reporting period, we invested R8,7 billion in our home market.

[BONGANI] Slide 9: CONTINUED SUSTAINABILITY AND HEIGHTENED INVESTMENT FOCUS IN MOZAMBIQUE

Since 2004, at the time of the initial investment made by Sasol and our partners in Mozambique, over $3 billion has been invested in developing the country's hydrocarbon industry.

This investment has contributed over $1 billion to the government of Mozambique.

To date, goods and services to the value of $1,2 billion have been procured from Mozambican suppliers, driving capability building of local SMMEs.

Over the past 13 years, we have invested $33 million in social investment initiatives, the majority of which has been directed towards education and skills development.

On the PSA field development plan, we have successfully drilled and tested nine wells relating to the first phase of this licence area.

We anticipate oil production to be between the mid to lower-end of the range presented in the field development plan. The gas wells have confirmed that there is sufficient gas to cover our initial downstream opportunities.

Across our businesses in Mozambique, we have sustained over 300 permanent jobs, while over 600 additional job opportunities have been created for communities around the Central Processing Facility through our contractors.

Over 90% of our employees are Mozambican and we continue efforts to train over 460 artisans for the sector.

To improve access to energy, we continue to promote a strong focus on domestic gas use. In this regard, some two million of the country's citizens have access to electricity through the CTRG gas-fired power plant.

Sasol is actively working to ensure greater alignment and mutual benefit with the Government of Mozambique and its people. Our ongoing investment in Mozambique affirms our steadfast commitment to the country and entrenching Sasol as a trusted partner.

[STEPHEN] Slide 10: SUPPORTING OUR COMPELLING INVESTMENT CASE

We strongly believe that Sasol remains a compelling investment proposition.

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

Our investment case is rooted in our identity as a chemicals and energy company, a focus on value-based growth and increasing shareholder returns by leveraging our competitive strengths.

Investing in Sasol provides exposure to our robust portfolio, comprising feedstock-advantaged operations, combined with our human talent and unique technologies. We expect a further catalyst to be the upcoming free cash flow inflexion point post commissioning of the LCCP.

Combined with our refined strategy and refocused approach to capital allocation, we have targeted EBIT growth of at least 5% in US dollar terms and expected long term ROIC of more than 12% in US dollar terms through the cycle.

We aim to achieve these targets against a backdrop of:

- Capital expenditure on sustenance of $1,5 billion per annum;
- An optimal capital structure with a long term gearing target of 30% - as Bongani mentioned earlier;
- Increased dividend returns stepping up from the current 2,8 times cover, to 2,5 times by 2022, and moving to 2,2 times on a sustainable basis thereafter; and
- Continued investment in growth opportunities via further industrial expansion, as well as M&A opportunities.

One of the priorities in refining our corporate strategy was to map the best way forward for Sasol as a compelling investment. We are confident that we are well underway on this journey.

Thank you to our employees, customers and business partners for enabling us to achieve the results delivered in the first half of financial year 2018.

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.