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

2019 INTERIM RESULTS ANNOUNCEMENT (MEDIA PRESENTATION)

MONDAY, 25 FEBRUARY 2019 AT 10H00 JOHANNESBURG

[BONGANI] Slide 3: INTRODUCTION

Good morning everyone, and thank you for joining us for Sasol's results presentation for the six months ended 31 December 2018.

The first six months of financial year 2019 were certainly not without challenges.

The sectors we compete in are by nature volatile, heavily influenced by geopolitical and macroeconomic factors. Our job is to ensure we navigate this turbulence and stay focused on our key controllable factors, with safe, reliable operations and cost control being paramount.

We did experience a longer than expected total shutdown at our Secunda Synfuels Operations, which contributed to a mixed production and sales performance.

Through discipline and rigour we improved performances of our Natref refinery and mining operations. We are already seeing steady progress across our value chains and expect this trend to continue for the remainder of FY19.

Our cost conscious mind-set remains entrenched and we continue to have below inflation cost increases.

Actively managing our balance sheet also remains a priority through a pro-active hedging programme. This has helped us mitigate global volatility impacts associated with commodity pricing and rand/US dollar exchange rate risks.

We are, of course, disappointed by the cost and schedule overrun on our LCCP, which was recently impacted by several challenges. This is a lesson from which we have gained invaluable insights that will benefit us in taking this project to successful completion.

The leadership of Sasol is fully committed to sustainable value creation. We are mindful of the challenges we face, but focused on driving a compelling investment proposition that delivers value to all our stakeholders.

Over to you Steve.

[STEPHEN] Slide 4: What you will hear today

Thank you Bongani and good morning everyone. I will now take you through the key messages you will hear from us today.

The six months to end December 2018 was a volatile period, with fluctuations in the oil price and rand/US dollar exchange rate presenting both headwinds and tailwinds for Sasol. Notwithstanding, we did deliver a satisfactory set of results.

In recent weeks we provided updated guidance to the market on the status of LCCP. While the scheduled start-up of various units have moved out by several months, and the capital cost was adjusted, the business case for this world-scale chemicals facility remains sound. We will provide more detail on this matter later in the presentation.

Running safe, reliable operations, underpinned by our zero harm aspiration, is a cornerstone of our business and an area that will continue to receive focused attention.

Our track record of cost competitiveness speaks for itself and we have once again sustained a stellar cost performance for the reporting period.

As indicated at our previous results announcement, we are increasing our focus on sustainability. This is essential to how we run our business to ensure our resilience over the long term.

Finally, our value-based strategy remains our north star, guiding our efforts to deliver superior value for our stakeholders. In the near term, we continue to address challenges confronting us, while remaining focused on meeting our strategic objectives.

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.

[BONGANI] Slide 5: Satisfactory set of results in a volatile macro environment

I will now highlight a few salient features of our financial and operational results.

For the reporting period, the average Brent crude oil price moved 26% higher to $71 per barrel. The average exchange rate was 6% weaker, or R14,20 to one US dollar.

Our underlying cash generation remains sound. EBITDA, which is a good proxy for the underlying cash flow of the business, increased by 10% to R27 billion.

Core headline earnings per share, increased by 18% to R21,45, and HEPS increased 32% to R23,25.

Turning to our cost performance, normalised cash fixed costs were 4,3% higher, which is below our inflation target of 6%. This reflects a continuation of our excellent cost control performance of recent years.

Given funding requirements for the LCCP, more than 85% of our debt is now US dollar denominated. This, combined with a weaker closing exchange rate in December 2018, increased our gearing to 48,9%. Notwithstanding, our credit ratings remain sacrosanct.

Owing to our performance, and other factors, the Board declared an interim dividend of R5,90 per share, based on Core HEPS.

For the reporting period, our safety recordable case rate improved to 0,26. This indicates that our overall safety indicators are trending in the right direction. Regrettably, we suffered two tragic fatalities.

Our sincere and heartfelt condolences go to the families, friends, and co-workers of Mr Mzontsundu Malothoza and Mr Philip Tsotetsi.

If we now look at our operational performance, Natref improved its production performance by 43%. The extended planned shutdown at our Secunda Synfuels Operations decreased its volumes by 6%.

ORYX GTL had an exceptional performance during this period, with an average utilisation rate of 99%.

Production volumes at our Eurasian operations decreased by 8% largely due to external ethylene supply constraints.

Our mixed operational performance resulted in our Liquid Fuels sales volumes increasing by 4%. Our Performance Chemicals and Base Chemicals sales reduced by 3% and 11% respectively.

We delivered a stronger operational performance in the second quarter of the year and are maintaining stable operations, underpinned by focused management actions in order to meet, or better still, exceed our customer expectations.

[STEPHEN] Slide 6: LCCP fundamentals remain intact despite increased cost and schedule challenges

We would now like to spend some time discussing the LCCP.

In recent weeks we confirmed that as at the end of December 2018, engineering and procurement activities on this world scale project were substantially complete and construction progress stood at 84%. Overall project completion was 94% and capital expenditure amounted to $10,9 billion.

We are proud of the exceptional safety record on the project, which has an RCR of 0,11.

All utilities to support the early process units at LCCP were fully operational by the end of November 2018.

We also announced that the LCCP's first production unit, the linear low-density polyethylene (LLDPE) unit, achieved beneficial operations on 13 February 2019.

The last quarter of calendar year 2018 was particularly challenging for the project, with several factors, both within and beyond our control, impacting the completion schedule and associated cost for the remaining units.

The primary reasons for this relate to scope additions for the Cracker as a result of incomplete engineering work not previously identified, as well as increased scope to ensure process safety for the Cracker and EO/EG unit.

Identification of defective carbon steel forgings, for which the impact was determined late in the past quarter, lead to a one month delay.

Excessive rainfall also resulted in an additional month of work being lost, with productivity losses worsened by high absenteeism around public holidays since the end of November 2018.

The overall project capital cost estimate has now been revised to a range of $11,6 to $11,8 billion. This includes a contingency and weather provision of $200 million.

We still expect to deliver on our FY22 EBITDA guidance of $1,3 billion, a world-class asset by any measure.

For FY19, we anticipate an EBITDA loss of between $165 and $195 million for the project, while in FY20 we expect an EBITDA contribution of $700 million.

[BONGANI] Slide 7: Sharpened focus on commissioning, process safety and business readiness

Looking ahead we are enhancing our focus on key work streams as the project transitions to commissioning and start-up activities.

Without doubt, later units will benefit from the valuable lessons learnt in construction progress on LCCP thus far.

We will also prioritise optimal demobilisation of our construction labour force, and maximise productivity, in order to realise efficient cost ramp down as the units move closer to commissioning.

In this regard, we plan to ensure early accountability and handover from the construction to the operations teams to support efficient commissioning.

Process safety, productivity in the field, and progressing units to beneficial operations remains our unrelenting focus.

The Cracker is expected to achieve beneficial operations in July 2019, with around 80% of LCCP capacity being operational by August 2019.

Our integrated business readiness approach assures the delivery of cash flows, particularly since ethane supply has been secured with long term volume contracts in place.

In addition, customer engagements are well advanced to support product placement. Outbound logistics infrastructure are ready to facilitate local and export distribution.

[STEPHEN] Slide 8: Unrelenting drive towards zero harm and operations stability

Let us now turn our attention to our zero harm and operations stability drive.

Safety is core to our business and remains an imperative that will always have our focused attention.

The two fatalities that Bongani mentioned earlier, both occurred at our mining operations.

The corrective actions identified from investigations into these incidents include adapting our systems and processes, especially those applicable to weekend work, and our service provider interface. These actions have already been implemented.

Although our RCR of 0,26 is an improvement on the comparable period last year, we remain vigilant in improving our safety performance by continuing to implement our high severity injury programme.

We are also continuing with our structured approach on how we institutionalise learnings after an incident through the effective use of technology. The specific intent here is that through these learnings we do not repeat safety incidents of a similar nature.

In terms of our operational performance, we are starting to reap benefits of improving operational reliability. A key highlight in this regard is the performance of Natref, where a 43% improvement in run rate was achieved. In addition, Mining improved its productivity rate by 8%.

Despite a longer than planned total shutdown at our Secunda Synfuels Operations, we remain cost competitive. Furthermore, the recent performance of Synfuels supports a run rate of 7,8 million tons per annum.

We are confident that our recent operational challenges are isolated and our sustenance capex guidance remains adequate for the year.

[BONGANI] Slide 9: Stellar cost performance underpins our competitiveness

Our cost management processes remain a key focus to protect and improve our competitive position, while ensuring that we maintain safe, reliable operations. Protecting our cash break-even position of $35 per barrel is an imperative for us.

In recent years we have managed our cost base below inflation, and continued this trend, notwithstanding operational challenges and once-off costs.

As depicted in the bar graph, our normalised real cost is down an impressive 5% when compared to financial year 2013.

Our group-wide continuous improvement programme has a medium-term target to increase ROIC, for our foundation businesses, by at least two percentage points by FY22. Digitalisation is a key enabler in this regard.

Approximately R2 billion of value has been unlocked with specific gross margin, cash fixed costs and balance sheet initiatives in the year to date.

We have completed industry benchmarks against our global peers for the majority of our functions and major value chains. Based on the outcome of these, a number of value enhancing opportunities have been identified, giving us confidence to meet our ROIC target.

[STEPHEN] Slide 10: Increasing our focus on sustainability to ensure long term value

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

From a governance viewpoint, one of our key risks relates to tax exposures. We are pleased by the recent favourable judgement in the Sasol Oil tax matter, which has allowed us to reverse a R1,3 billion liability.

On environment, Sasol remains committed to transitioning to a lower carbon footprint.

We will provide more information on our climate change management approach through our reporting processes. We are also undertaking scenario analyses to test the robustness of our business strategy.

To increase transparency, we have adopted the Task Force on Climate-related Financial Disclosures guidelines.

Our overall energy efficiency has improved by around 22% off our 2005 base. This is due to energy saving projects and initiatives we have implemented. We are well on our way to meet our 30% target by 2030.

We are also proud to be a founding member of the recently-announced Alliance to End Plastic Waste, a global initiative of companies along the plastics value chain.

On the social front, Sasol delivered on our commitments towards sustainable transformation and our B-BBEE journey. We achieved a Level 4 contributor status well ahead of our planned 2020 timeframe.

Sasol Khanyisa was also successfully implemented. Furthermore, to enhance the liquidity of our Sasol BEE ordinary shares (SOLBE1), we have appointed a market maker.

In the first half of FY19, we invested R1 billion in skills and socio-economic development. This includes our broad range of social investment programmes and the Sasol Siyakha Trust which finances SMMEs in South Africa.

As part of our investment, in Mozambique, for example, we completed the repair of the Inhambane pier and two ferries. These were damaged by a tropical cyclone in 2017.

In Louisiana, we continued to host business development workshops through McNeese State University's Small Business Development Center.

[BONGANI] Slide 11: Focused on delivering our strategy

To close this part of today's presentation, let me reiterate that we remain focused on delivering on our value-based strategy.

2019 is a defining year for Sasol.

We have a few near term challenges, which we have already shared with you, however we have a clear focus to:

- Continue improving our safety performance in pursuit of achieving zero harm;
- Maintain our low cost and working capital competitiveness though continuous improvement;
- Drive safe, reliable and stable operations;
- Deliver LCCP commissioning, operations and business readiness; and
- Manage our balance sheet, while protecting investment grade ratings and positioning the company for growth.

Our focus will lead us to deliver sustainable returns to our shareholders, where we have defined growth targets for EBIT, ROIC, free cash flow, and delivering increased dividend returns.

Our people are at the core of our ability to execute our strategy and be more competitive. I would like to take this opportunity to thank them for their continued commitment and resilience.

On behalf of the Sasol Limited Board and 32 000 Sasol employees, I would like to thank Stephan Schoeman, our EVP for Technology for his 30 years of selfless dedication to Sasol. We wish him good health and success in the future.

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