SASOL PRESIDENT AND CHIEF EXECUTIVE OFFICER (DESIGNATE) – FLEETWOOD GROBLER

2019 ANNUAL FINANCIAL RESULTS PRESENTATION

MONDAY, 28 OCTOBER 2019 AT 10:00 (+02:00 GMT) JOHANNESBURG

SLIDE 3: INTRODUCTION

Good morning everyone and thank you for joining us.

As mentioned a short while ago, my name is Fleetwood Grobler. I bring over 35 years of Sasol experience to the CEO position, during which time my career has spanned numerous geographies, businesses and roles. Most recently, I was the Executive Vice President in charge of our global Chemicals business. Since April of this year, I was closely involved in the detailed LCCP cost and schedule review, leading up to the May 2019 announcement.

I am therefore well aware of the challenges that we have faced and also the challenges that lie ahead. However, it's important to remember that Sasol is a world class business and I am both realistic and excited about the journey ahead.

At this point, let me take a moment to thank Bongani and Stephen for their joint leadership of Sasol over the past three years, and wish them all the very best for the future.

My new role creates an opportunity in the Group Executive Committee and I would like to congratulate Brad Griffith, as my successor to lead Sasol's Chemicals business. Brad has many years of global chemicals experience having worked in Europe, South Africa and the US. His previous two roles have been as Senior Vice President of Base Chemicals, and subsequently Performance Chemicals since 2017. Brad is well set for a seamless transition.

More broadly, before I start with some initial context as the incoming CEO, I would like to acknowledge the significant efforts of Team Sasol, across the globe. Recent events have created a significant amount of uncertainty at Sasol, through which the team has been remarkably resilient. I am pleased that today we can draw a line under much of that uncertainty and move forward.

Before I go through the results, I would like to make a few points by way of context. In order to move forward, I believe we need realism, focus and delivery.

Firstly, we need to be realistic that although today we address some key areas of uncertainty, we still have challenges ahead. Chief among these, is the successful completion of the LCCP, protecting the balance sheet during the upcoming brief peak gearing phase, and developing our carbon reduction roadmap. While we must not underestimate or understate our challenges, I do believe we have a clear pathway to address them.

To do so, requires clear focus on the issues that we can control. Our stakeholders must be under no illusions, that this is the first priority. More than focus though, the outcome must be delivery. Many of our stakeholders are not interested in promises, they want to see delivery and I'm very much on that page.

In a nutshell, we need to make sure that we don't miss a beat. However, I am also conscious of, and embrace, the key takeaways from the Board Review. Here, in particular, I recognise that constructive dialogue and challenge across the organisation is paramount, and is well aligned with our Aspirational Culture.

While continuity is critical right now, I also intend to keep challenging Team Sasol in finding the best ways to deliver our full potential.

SLIDE 4: WHAT YOU WILL HEAR TODAY

With that context, let me move on to the key messages you will hear from me today.

As communicated a short while ago, the Board Review is complete. While it has been a difficult past five months for Sasol, this review was necessary for us to pause, and self-reflect. This was to ensure that we clearly identified the root causes, and embed the learnings, as we strive to improve governance, culture and our control environment.

For the financial year, our foundation business delivered resilient results despite challenging conditions. We are pleased by the performance, which continues to provide a stable base of earnings. Although certain products are experiencing margin pressure, we have steadily improved our operational performance, and we remain focused on our commitment to zero harm.

Looking at the LCCP, the cost is tracking the previously announced guidance of $12,6 to $12,9 billion, supported by a strengthened control environment.

The softer chemical price outlook, combined with the increased capital cost on the LCCP, has placed additional pressure on our financial position. Our priority is to take decisive measures to protect and strengthen the balance sheet. This has resulted in a Board decision to pass on the final dividend for FY19. This was not a decision we took lightly. However, it is important that we make tough decisions now, to position us for the long term. Paul will talk in more detail about our balance sheet management.

Good progress has also been made this year in developing our sustainability roadmap, to position Sasol in a lower carbon future.

Lastly, we must restore stability and confidence. In support of this, we have identified FY20 priorities which we, as a management team, will be accountable for.

SLIDE 5: LCCP ROOT CAUSES UNDERSTOOD AND LEARNINGS TO BE ENTRENCHED IN ORGANISATION

A key step in our journey to restoring credibility and trust in Sasol is, acknowledging and learning from the recently concluded Board review.

As you are aware, this review was initiated by the Board, following the revised cost guidance communicated to the market earlier this year. The Board sought to understand the circumstances that may have delayed, the prompt identification and reporting of developments relating to LCCP's costs and schedule.

This review is now complete, and the Chairman of the Board is engaging with media and investors via conference calls to address questions on the thorough process that was followed, and the outcomes of the review from a root cause perspective.

With this said, I take comfort that while we have to refine and improve, the issues were limited to the LCCP. There were no restatements to earnings, our financial or cash flow position, which speaks well to the overall Sasol systems.

As mentioned earlier, my focus is on ensuring that the remedial actions already implemented are addressing the control deficiencies identified and, more importantly, looking beyond that to the longer term, as we develop a detailed plan to embed the learnings.

Before I outline a few of the key learnings, it is important to reflect on the remedial actions that have already been implemented and are functioning as intended.

Firstly, we implemented a new LCCP controls structure, independent oversight in LCCP on execution activities, and redesigned the controls regarding cost reporting for the LCCP, to ensure segregation of duties, control effectiveness, and appropriate oversight. We commissioned additional external assurance work to validate aspects of the company's estimates regarding the LCCP's cost and schedule.

Secondly, LCCP oversight and accountability was reassigned to me as of 1 April 2019. Notwithstanding my new position, the Senior Vice President for the LCCP, will still report directly to me to ensure continuity over the last months of project completion. In addition, the GEC will continue to provide support and oversight in Lake Charles on a regular basis.

Thirdly, we concluded the separation of the LCCP senior management and remuneration at Sasol leadership levels was adjusted.

We are promoting increased and robust challenge in our review of reports provided by the LCCP team.

So how do we learn and move forward?

LCCP has highlighted the importance of creating the right culture and control environment where open and transparent dialogue is encouraged. We as management need to change our conduct and set the tone for the rest of the organisation. This is completely in line with our ongoing culture transformation programme, and a critical aspect of new and enhanced controls being introduced throughout the Group.

SLIDE 6: RESILIENT RESULTS FROM FOUNDATION BUSINESS IN A CHALLENGING ENVIRONMENT

Now on to our operational and financial performance.

At the outset, let me express how deeply saddened we are, by the tragic loss of three of our colleagues during the past year. Any loss of life is unacceptable.

We convey our sincere and heartfelt condolences to the families, friends, and co-workers of Mr Samuel Mokoena, Mr Mzontsundu Malothoza and Mr Philip Tsotetsi.

Now let me quickly summarise our operational performance:

- Natref improved its production performance by 20%, while Synfuels delivered strong production performance, following the extended planned shutdown.
- ORYX GTL benefitted from a higher oil price and weaker exchange rate, with an average utilisation rate of 81%.
- Production volumes at our Eurasian operations decreased by 7%, largely due to external ethylene supply constraints in the first half of the financial year.
- Our Liquid Fuels sales volumes increased by 2% on the back of higher production at Natref. Our Performance Chemicals sales decreased by 3%, while Base Chemicals sales were up 4%.

Looking at our financial performance, the highlights are:

- Normalised cash fixed costs were 5,7% higher, below our inflation target of 6%, for the sixth year running.
- Adjusted EBITDA decreased by 9% to R47 billion, due to softer chemical margins and LCCP ramp-up.

We increased cash generated from operations by 20% to R51 billion, despite softer chemical prices.

Gearing has increased to 56,3% as a result of higher LCCP capital cash flows, and significant impairments realised.

We are therefore managing our balance sheet as a priority during this period of elevated gearing.

SLIDE 7: LCCP COST ON TRACK WITH CAPITAL COST ESTIMATE OF US$12,6 – 12,9BN

I will now focus on LCCP.

At 30 June 2019, the project was 98% complete, construction stood at 94% and our capital expenditure was $11,8 billion. We have ensured a strengthened control environment related to our capital forecasting process, a key learning from the Board review, and are confident in our range.

The Ethane Cracker, which is the heart of the project, reached beneficial operation in August this year, a landmark milestone for us. With the Cracker, LLDPE and EO/EG units operational, more than 60% of LCCP's output is now online.

The project's exceptional safety record continues, with an RCR of 0,11, which is within best-practice norms for a project of this scale.

Our business readiness programme has ensured that our marketing channels support, the successful placement of the majority of the product in the market. We continue to work with our key customers on the specialty chemicals side, to develop niche applications for our Ziegler and Guerbet alcohols and high purity alumina products.

We remain focused on maintaining the project schedule and in a softer chemical industry we also continuously balance the trade-off between schedule and cost.

Since we are already past the first quarter of FY20, I will provide a further update as of end September 2019.:

At that time, the overall project was 99% complete, construction was at 96% and capital expenditure at $12,2 billion. The project is also tracking the revised capital cost estimate of $12,6 to $12,9 billion.

By the end of this calendar year, with the LDPE plant online, the LCCP will be:

- Around 90% operational, based on nameplate capacity or gross production; or
- Around 85% operational, based on steady state external sales.

The Ziegler unit – the largest of the remaining units – has now reached more than 80% construction completion. As mentioned earlier, we are focused on a balanced cost and schedule execution of these last units and hence, forecast beneficial operation of:

- the ETO unit in Q3 FY20, and
- the Ziegler and Guerbet units in Q4 FY20

Our updated EBITDA is expected to be in the range of $100 to $200 million dollars in FY20, with a steady state run rate EBITDA from FY22 of approximately $1 billion.

The big capital spend on the LCCP is behind us and the finish line is in sight.

Notwithstanding the significant and disappointing challenges related to LCCP, we believe that this world-scale facility significantly strengthens our position in the global chemicals market.

SLIDE 8: IMPROVING OPERATING STABILITY AND PATHWAY TO ZERO HARM

Our operations yielded good results across the globe through our continued focus on operations stability and reducing high severity incidents. I will highlight a few noteworthy points.

In line with our transformation imperative, we achieved a level 4 BBB-EE rating in South Africa, which was an aspiration only a few years ago. In addition, our spend on Black-owned businesses is now approaching R20 billion annually. Spend with Black women-owned businesses increased to R13 billion this past year.

Turning now to our US operations. We achieved stellar operating performances at our HDPE joint venture and from our EO/EG unit in Lake Charles, while LLDPE is performing as expected.

In Eurasian operations, our 150 kiloton per year Ethoxylation plant in Nanjing, China, was successfully completed within the approved cost and started up only 26 months after the investment decision was made. It was completed within a very demanding schedule and budget, without any recordable injuries. This is a remarkable achievement, and we need to find ways to scale this success into larger projects.

We saw similar execution results on our various Brunsbüttel projects in Germany.

From this high-level outline of our operational performance, it is clear that the overall health of our global operations is generally robust.

SLIDE 9: ENHANCED SUSTAINABILITY FRAMEWORK POSITIONS SASOL FOR THE FUTURE

Ensuring our business is economically, environmentally and socially sustainable will be key to our success in a lower carbon future. This is why we support the Paris Agreement and remain committed to playing our part in contributing towards the global effort to tackle climate change.

To guide our efforts, our sustainability journey is underpinned by four strategic focus areas:

- One: resilience in a lower carbon future;
- Two: enduring and safe operations;
- Three: minimising our environmental footprint; and
- Four: growing shared value.

To reinforce our sustainability ambitions and strategic focus areas, we have prioritised four United Nations' Sustainable Development Goals. Given the urgency to respond to climate change, we focus on SDG 13, namely Climate Action, as our immediate priority.

In recent years, we have made significant decisions to shift our strategy away from further carbon intensive growth paths. This includes our decision to not embark on new coal- and gas-to-liquids projects, nor add new refining capacity.

Further evidence of this shift is LCCP in the United States. This world-scale facility comprises energy efficient, modern technology that has a much lower carbon and emissions footprint.

We understand the importance, and urgency of transitioning to a lower carbon economy and the need to further reduce our emissions. Nearly 85% of all our greenhouse gas emissions emanate from our South African operations, necessitating a particular focus here.

On this accelerated path, our first goal is to reduce emissions for our South African operations by at least 10% by 2030 off our 2017 baseline.

This target – over and above the 14% greenhouse gas improvement achieved since 2004 – is challenging, to a carbon-intensive petrochemicals complex. Based on our internal analysis, we believe that it is not only attainable, but necessary.

Here, further improving our energy efficiency and the integration of renewable energy into our operations will be key focus areas. Equally important will be securing lower carbon feedstocks.

We are working towards finding impactful, economic and socially acceptable solutions to reducing our emissions, especially in South Africa, where our challenge is elevated, given our coal-based operations.

Success in this area is crucial, since we are a significant socio-economic contributor to the South African economy – from jobs, taxes and foreign exchange earnings. Additionally, the triple challenges of inequality, poverty and unemployment, persist for the majority of our citizens.

This reality necessitates a balanced and carefully considered approach to further reducing carbon emissions that takes account of all stakeholders, to facilitate a 'just transition'.

Looking ahead, we are developing an emission-reduction roadmap, to support achievement of our energy efficiency and absolute carbon reduction targets, and to ensure that we are transparent about our progress. We will continuously update stakeholders on our plans and will share our roadmap at our next Capital Markets Day.

SLIDE 10: CURRENT STATUS OF PORTFOLIO OPTIMISATION

At our Capital Markets Day in 2017, we announced our asset review process. This review is now substantially complete, with good progress made on optimising our portfolio.

This process is to ensure that Sasol has an asset portfolio that is aligned to our strategic objectives, and which maximises our return on invested capital, in the long term.

Our focus is on ensuring that we pursue divestments of assets that are not strategic and that disposals enhance our return on invested capital, in accordance with our well accepted capital allocation framework.

To be clear, we will dispose of assets only if we obtain value and will not let assets go at sub-optimal prices. Any proceeds realised will also support deleveraging the balance sheet.

Our total divestment target of $2 billion is on track, and we will shortly achieve approximately 20% of this amount.

In addition, we have non-strategic assets undergoing a detailed asset sale readiness process.

SLIDE 11: FOCUSED SHORT TERM PRIORITIES TO RESTORE CONFIDENCE

To conclude on my part of the presentation, I will touch on the short term priorities we will focus on to restore confidence.

Firstly, regarding operational excellence:
- Our drive towards zero harm and eliminating fatalities, will be relentlessly pursued.
- We will maintain a rigorous focus on our key controllable factors namely: safety, reliable and efficient operations, sustainable working capital management and cost discipline. Managing these factors will ensure we maintain robust operational performance.
- With the LCCP tracking our latest guidance, our priority is full delivery of all the units of the LCCP.
- We are also exploring gas sourcing options for our South African value chain. This will help us in reducing our carbon footprint; which is among our immediate and most urgent deliverables.

Secondly, let's look at our balance sheet:
- The big capital spend on LCCP is now behind us, and we will start to deleverage from the second half of FY20 as we reach our free cash flow inflection point.
- We will work to protect and strengthen the balance sheet, and we will take the necessary action to achieve that.

Lastly, let's look more broadly at our stakeholders:
- Our promise to our stakeholders, including our people, is that we will deliver on our commitments and continue our journey to entrench our aspirational culture.
- Progressing a credible sustainability response and carbon reduction roadmap, is among our immediate and most urgent deliverables.

These strategic objectives are only possible through our committed and engaged employees, and through win-win partnerships with our customers and stakeholders.

To conclude, I'd like to repeat what I stated at the beginning of my presentation. I believe what Sasol needs to move forward: is realism, focus and delivery and I am committed to making sure this happens.

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