



**SASOL'S CHIEF EXECUTIVE OFFICER,  
DAVID E. CONSTABLE**

**INVESTOR STRATEGY DAY  
"SETTING THE SCENE"  
AS DELIVERED**

**TUESDAY, 9 APRIL 2013  
(NEW YORK)**

Thanks Raj and good morning everyone! Thank you very much for taking the time to join us for our Investor Strategy Day here at the NYSE, and wherever you may be on the phone lines!

Not only is this an important investor engagement for us at Sasol, in addition, today is a significant milestone in our company's 63-year history.

This afternoon we will be celebrating the 10<sup>th</sup> anniversary of our listing on the NYSE with a closing bell ceremony and cocktail event as Raj mentioned. I hope that those of you here will be able to join us as we commemorate the occasion!

And with this in mind, let's just take a moment to watch a short video which highlights some of Sasol's key milestones over the years.

As you can see from the video, Sasol has grown dramatically over the past 6 decades.

What lies ahead will result in the further advancement of our company's progress across many fronts and across continents!

So, as much as we are celebrating our past achievements, today is also very much about the company's future. Once commissioned, the US growth projects we will be showcasing this morning will grow the company's production volumes significantly and will cement our position in the country across several industry sectors.

**Slide 5: what we will cover today: strategy execution and project prioritisation**

Now let's turn to what we will cover in today's session.

In broad terms, our agenda for the next three and half hours comprise two distinct halves.

In the first half, and as part of setting the scene, I will highlight the key strategic themes that have come to epitomise the last 2 years for us at Sasol. Here, I will also talk to our strategic review, development and execution process.

To close off the first half, Christine will focus on three key elements which underpin our financing consideration. First, capital allocation and our portfolio management process; second, the importance of prioritising our pipeline of projects and third, our funding considerations and timing to ensure that we remain within our targeted gearing levels and that we deliver on our progressive dividend policy.



We will then open it up for any questions that you may have before we adjourn for a break.

**Slide 6: what we will cover today: focus on North America**

Looking at the second half of our session, here is where we will focus on our North American priorities and unique value proposition.

Our decision to proceed to front-end engineering and design on both our Lake Charles Chemicals Project and our US gas-to-liquids value-add chemicals complex were informed by detailed project feasibility studies and a robust interrogation of the analyses presented by the project teams at the end of last year.

Today we will share with you the work we have been doing since the project announcements in December, to ensure that both projects can be successfully completed utilising a phased execution approach. We'll provide you with feedback on the key project role players and structures we have put in place. We will also share our overall implementation approach.

I'll kick off the second half with an overview of our US project priority areas and then hand it over to Lean who will talk us through our technology and feedstock advantages.

From there, André will provide greater clarity on why our US projects make for a compelling business case when we look at the markets we will be operating in.

André will also talk specifically to our project execution capability.

I'll come back up to close off our formal presentation and will then open it up to any further questions you may have.

By the end of the session, our objective is to have given you greater insight into these important US growth initiatives so that we are collectively aligned going forward.

**Slide 7: the past 2 years – key themes**

Our last Investor Strategy Day was on April 5<sup>th</sup> in New York, just over 2 years ago. The focus in 2011 was on highlighting our technology-driven fuels and chemicals growth, which makes us both a unique and compelling investment proposition.

The team showcased our Canadian gas acquisitions and our GTL aspirations. We spoke at a concept level of the importance of identifying great new global project opportunities.

I joined the company soon thereafter.

My primary mandate is to ensure that we maximise long-term shareholder value as measured by TSR, and that, as a management team, the decisions we take now will stand the test of time and deliver outstanding results.

To achieve this, the past couple of months can be broken into three distinct phases.

The first phase was about goal-setting and consolidation, which ran throughout FY12. Here we refocused the organisation on our common objectives and introduced streamlined and less bureaucratic structures.

We also started the process of embedding a high performance, values-driven culture through the introduction of our revised company values and refined strategic agenda.

To ensure that we are able to compete more effectively, the second phase was all about stepping up our prioritisation efforts to enable the company to focus on the important and the urgent.

Here, we prioritised enhancing operational reliability and stability, we drove production efficiencies, particularly in our international chemicals businesses and we took a hard and sceptical look at our portfolio of projects.

Having completed the prioritisation work, it was evident that, given our current position, we had to adopt a multi-pronged approach to our third and current phase, delivery and growth.

In Sasol terms, we refer to the dual-focused regional growth strategies as being one of “nurture and grow” in Southern Africa – where the emphasis is as much on maintaining and enhancing our existing asset base, as it is on growing in new areas, here, most notably, in power generation both in South Africa and in Mozambique.

Looking to North America here we speak of “expand and deliver” as we set out to advance on several fronts.

In the context of our US projects, specifically to achieve the business success we are aiming for, we need to deliver on our project milestones in full, on budget, on schedule and with the quality required to ensure successful plant start-ups.

Turning to our existing operations, particularly in South Africa, we have sharpened our ongoing focus on optimising costs across the group. Our cost containment diagnostic work is almost complete, whereafter we will take the necessary steps to ensure that our cost base is fit for purpose and sustainable.

All that I have spoken to so far, relate to the near- to- medium term. However, our definition of victory of growing shareholder value sustainably is as dependent on our current strategies as it is on our longer term strategic direction.

Here our strategy review, development and execution process is paramount.

### **Slide 8: enhancing our long-term strategy: evaluating the current strategy and our strategic path forward**

Fourteen months ago, we embarked on an extensive corporate strategy evaluation process.

The evaluation was largely driven by three key factors:

- First, the significant changes in the global environment over the past 4 - 5 years, not only in the context of the persisting financial crisis, but also, given changing market dynamics certain governments becoming far more interventionist and a general climate, particularly in Africa, of socio-political unrest.
- Second, as we move forward on game-changing projects, which will come to fruition later this decade, we need to be confident that pursuing a GTL and chemicals focus will remain robust over several decades.
- And finally, we know that to deliver meaningful results over the long term, we need to better understand and plan for a future that takes our company well beyond 2020.

We started by defining and properly understanding our business and regional growth opportunities: where do we want to play, what regions and what do we want to be playing? Will it be CTL, LNG, non-

integrated upstream oil and gas production, mobility technologies or possibly regional power generation?

To answer these questions about the future, our strategy review and development process comprised 3 stages.

As part of stage 1, the team reviewed all of our businesses to determine our current reality so that we had a good sense of where we stand as an organisation today. A lot of time was also spent on developing scenarios to determine what the world might look like decades from now. Here the team focused on regional dynamics and alternative energy penetration. This stage culminated in a piece of work, which we called “envisioning the futures”, an important step which set out possible Sasol futures and answered questions such as: where will we find ourselves? What do we want to be known for? And, how have we evolved as an organisation?

In stage 2, we tested and shaped the way these futures can be reached. Of course, scenarios are not meant to be an exact picture of the world but rather possible options as to how the future is likely to unfold.

Finally, in stage 3, the team proposed a set of strategic paths for Sasol, which not only confirmed the robustness of our current near- to medium-term strategy, but also made it abundantly clear that natural gas, GTL and chemicals will remain in our company’s longer term future.

### **Slide 9: our strategic agenda will continue to guide our near- to medium-term strategy**

If we look at our current strategic agenda, what we have in place now, most of you will remember that it comprises 2 pillars. First, our “foundation” pillar which talks to our existing businesses and current operations in Africa, Europe, the Americas, Asia and the Middle East. This pillar places a strong emphasis on our Sasol people, our assets and our South African transformation journey.

Second, our “sustainable growth” pillar emphasises what we must focus on to grow sustainably into the future, what will help us achieve sustainable profitability. I would like to draw your attention to 2 key areas where we introduced clear shifts in our thinking, which will impact our future strategic direction:

- First, a year ago, we took an important decision to accelerate GTL with selective CTL growth. Today, you’ll see that we no longer reference coal-to-liquids growth.

- Second, we understand that as the world is moving towards lower carbon energy alternatives, a new value proposition for us is in power generation and low carbon electricity. We have some way to go here, as we first seek to develop and then grow this profitable new source of revenue.

At the end of the day, the pillars of our strategic agenda and the imperatives we prioritise as a company all propel us to our definition of victory to grow shareholder value sustainably.

**Slide 10: our investment considerations: robust project economics remain cornerstone of our investment decisions**

Now again, our main topic for today is obviously our two US growth projects.

And with that in mind, to give you a better feel for the business rationale underpinning our project decisions, we will talk you through five of the key investment considerations we take into account to ensure that the business cases for these projects are sound and well thought out.

First of all, we ask whether we have access to adequate funding in the required timeframe to maintain our targeted gearing and progressive dividend policy.

Second, we determine whether we have a technology or manufacturing platform that is better than our competitors?

Here, we not only look at the technologies themselves, but also at the scale of the plants in question and whether we have the requisite operating know-how.

Next, we consider whether we have access to a low-cost feedstock that provides us with a competitive advantage over the long term.

Fourth, we assess whether we have a product or market position that provides us with a compelling business case.

And finally, we evaluate whether we have the required project execution capability to deliver the project in question.

If we consider our proposed investments in the United States, we are very encouraged by the answers we have to these critically important questions.

And, I believe, that after you have heard from Christine, Lean and André on these key factors you will feel the same way.

**Slide 11: our investment considerations: financing**

Now, as part of our financing consideration, as I said earlier, Christine will discuss our portfolio management and prioritisation processes.

It is clear that our US growth projects are sizeable. This being the case, the management team embarked upon a thorough review of our entire project portfolio and commenced a carefully considered prioritisation process.

The purpose of this exercise was a simple one: to ensure that we prioritise the projects that can unlock the maximum value for our shareholders over the long term.

Based on our extensive review, and particularly the financial and human capital requirements of our various projects as well as our near to longer term strategic direction, we were unanimous as a management team, as was the Board, to proceed with the FEED work on the US projects, thereby prioritising them over our proposed Canada GTL venture.

As part of our strategic capital allocation determinations, we give due consideration to creating the right balance between investing the company's capital for longer term benefit and returning cash to the company's shareholders.

Over and above the project funding requirements, our investment decisions are guided by a rigorous gated business development and implementation process. Christine will talk us through both of these aspects.

Let me now hand you over to Christine.

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