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

**GAS SHOWCASING DINNER  
CO-HOSTED WITH MINISTER DIPUO PETERS,  
DEPARTMENT OF ENERGY AS PART OF THE SOUTH AFRICAN GOVERNMENT'S  
OFFICIAL SIDE EVENT PROGRAMME AT COP17**

**SATURDAY, 3 DECEMBER 2011  
OSA, ZIMBALI RESORT, DURBAN**

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Thanks very much Ebbie and good evening everyone. Thank you for joining us on this beautiful evening here in Durban.

It's wonderful to see so many of Sasol's business partners, customers and government stakeholders here tonight, away from the hustle and bustle of the UN Precinct as we enter week two of COP17.

In particular, I am delighted that the Honourable Minister Peters, the Minister of Energy of South Africa, the Honourable Minister Pandor, the Minister of Science and Technology of South Africa and the Honourable Vice Minister Chichava, the Vice Minister of Environmental Affairs of Mozambique were able to join us tonight. Thank you so much for making time to be with us this evening.

Vice Minister Chichava, thank you for your opening remarks. Wearing an African business hat, I fully agree that developing countries need to have a united front in our engagements with the developed world. It's important that we continue to work in partnership in the southern African region to find workable solutions. These solutions will serve not only to address climate change challenges but also the developmental and growth aspirations of the African continent. And Sasol is proud to have been an effective business partner with your country for nearly a decade now.

Minister Peters, on behalf of all of us at Sasol, I want to personally thank you for your outstanding keynote address at the CCS showcasing dinner which we jointly hosted with the Department of Energy on Thursday night. Nolitha Fakude, Sasol's executive director, advised me that the CCS event was topped off by Minister Peters' energizing speech. Thank you again Minister.

Now tonight we're switching gears to an equally important topic - showcasing natural gas. As we all know, there is no silver bullet fuel to solve our energy challenges. The world needs a full slate of fuels to service its needs from clean coal to natural gas to renewables, including hydro, wind, solar and biomass.

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Tonight we want to focus in on natural gas and how it can enable a lower carbon future for all of us.

I am honoured to be hosting this dinner with Minister Peters. At Sasol, we recognise the importance of working in partnership with governments, customers and business partners. The Department of Energy is obviously the primary role player in the South African liquid fuels, gas and electricity sectors – and so it plays a vital role in South Africa’s growth and development.

When I met with Minister Peters at the end of October, one of the issues we discussed was the importance of COP17 to South Africa. Sasol has been working with government and other stakeholders as part of “Team South Africa” to ensure the successful hosting of this event. This evening’s dinner forms part of our commitment to supporting the South African government in showcasing our mitigation achievements and sharing best practices.

Sasol is the world’s largest producer of synthetic fuels. For over 60 years, our growth has been premised on our leadership in innovation, and our technical expertise in converting gas and coal into liquid fuels, fuel components and chemicals through our proprietary technologies.

We recognise that a real and informed commitment to sustainable development is integral to achieving our long-term strategic objectives as a company.

At Sasol, we appreciate that our economic, energy and environmental challenges are increasing as we grow, both in southern Africa and internationally. Consequently, it is imperative that we find solutions to these challenges, which make sense to our customers, investors, employees, government and other stakeholders. At the same time, we will continue to make a significant contribution to energy security and socio-economic development in southern Africa and the countries in which we operate.

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Sasol is a vital part of the regional economy. As one of the largest corporate taxpayers in South Africa, we contributed 25 billion rand in the last financial year. We directly employ more than 28 000 people in South Africa and over 200 000 indirect jobs are supported by Sasol's activities, which, in turn, contributes significantly to the country's GDP.

However, we are increasingly a global player in energy. We produce natural gas and condensate in Mozambique, oil in Gabon and shale gas in Canada. We have chemical manufacturing operations locally, and in Europe, Asia and the Americas. Sasol is commercialising our technologies internationally through an accelerated gas-to-liquids growth strategy and selected coal-to-liquids opportunities. In partnership with Qatar Petroleum, Sasol started our first international gas-to-liquids plant, Oryx GTL, in 2007. We're also exploring GTL opportunities in Uzbekistan, Canada and the United States.

I have been in South Africa and at Sasol for six months now and have come to realise that the country faces some unique challenges and opportunities in managing the transition to a lower carbon economy. Although there are a number of ways to address the challenge, this evening I will focus on just two: first, as mentioned earlier, the role of natural gas as a bridge and a key enabler to a lower carbon world, and secondly, the importance of partnerships in making this a reality for South Africa, and the entire region.

The most significant challenge for South Africa is that our economy was built on coal as an energy feedstock, and coal is the most carbon-intensive resource. Coal accounts for more than 70% of our primary energy consumption in South Africa. It reflects our lack of oil and gas reserves as much as it highlights, in contrast, our vast reserves of coal.

One of South Africa's opportunities lies in potential solar energy, arguably the most abundant and least carbon-intensive renewable fuel source. However, economically viable solar power still has a long way to go – realistically it will take at least two decades before it can begin to make a significant contribution to the South African primary energy mix.

It's also clear that South Africa cannot wait two decades to reduce its carbon emissions. We have a responsibility to take action now, but it must be action that recognises the country's

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substantial developmental and socio-economic challenges, including inequality and widespread poverty and unemployment.

In effect, we need a bridge.

At Sasol, we believe that a combination of some fuel switching from coal to gas and energy efficiency should be that bridge, which will take us closer to our transition to a lower carbon world.

Energy efficiency will be the focus of the NBI and Sasol-sponsored Energy Efficiency Leadership Network dinner next Wednesday, so I won't dwell on it this evening other than to mention that it is the most cost-effective opportunity the country has, and also stands to create much needed jobs. And I can assure you that my co-host fully supports this critical imperative!

Now, introducing more natural gas to our energy mix has a number of benefits:

- Gas emits 40% less carbon dioxide than coal for the same energy produced.
- Gas is more flexible and cleaner burning than coal.
- Gas can be used in conjunction with a renewable source, such as wind or solar power to provide a constant electricity supply to the grid.
- And finally, gas resources allow us to preserve the country's coal reserves much further into the future.

At Sasol, we have long known these benefits, and have taken the proverbial bull by the horns by making operational changes to transition to a lower carbon, climate resilient economy. Through investments in energy efficiency and in finding and using gas from Mozambique, Sasol has reduced its annual South African GHG emissions by 10 million tons between 2004 and 2011 – that's a reduction of 12% so far, and there is more to come!

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The story of how this happened is as much a story of partnerships and regional co-operation as it is a story of technological innovation. For me, partnerships cut across all levels and all areas of society and business. And successful partnerships depend on having a clear and common goal.

Since 1999, Sasol has invested more than 12 billion rand in a natural gas conversion project that delivers gas along a pipeline from the Temane fields in Mozambique to operations in Secunda and Sasolburg. With our partners, we constructed a central processing facility at Temane and an 865 kilometre cross-border pipeline. In South Africa, the project included:

- the conversion of the Sasol industrial and domestic gas distribution network,
- the switching of our Sasolburg facility to gas from coal as its primary feedstock,
- and the conversion of Sasol's Secunda operations to utilise gas as a supplementary feedstock to coal.

The project is a testament to the partnership between the governments of Mozambique, South Africa and Sasol.

Poverty was widespread among the majority of people living in the areas along the pipeline route, and many relied on subsistence agriculture. For these communities, it was important that the project contributed to development in terms of access to employment, new infrastructure and support for local businesses. Sasol earmarked \$5 million dollars for corporate social investment projects in Mozambique. The money has been used to build clinics and schools, sink boreholes for drinking water, renovate a technical school and establish projects for small businesses and farming. Sasol also sponsored care facilities for the aged, people with disabilities and AIDS orphans, and has donated computers to schools and community centres.

The World Bank has cited the project as a benchmark for undertaking new investments in Africa in terms of social, political, economic and environmental criteria.

Benefits have also flowed into South Africa.

Today, Sasol supplies over 540 industrial customers via a 1 200 kilometre pipeline network mainly in South Africa's industrial heartland of Gauteng and its neighbouring provinces. This supply is helping Sasol's customers in South Africa reduce their own GHG emissions by more than 2 million tons per year.

To implement the bridging strategy to a lower carbon world while delivering further benefit and a greater reduction in emissions, we need to find and develop more gas. The opportunities are significant – from the potentially game-changing reserves of shale gas under the Karoo, to coal-bed methane in Botswana and further potential for natural gas in Mozambique.

What is clear is that a regional approach will ensure benefit for all. Partnering and collaborating at company and government levels are vital for success as we depend on our neighbours to achieve our shared goal of transitioning to a lower carbon world over time.

*“Working together: saving tomorrow today”* is the COP17 slogan. I know that we can and will achieve great success if we put our heads together to find workable and sustainable solutions.

I now have the honour and privilege to introduce you to our keynote speaker and my co-host this evening. Having served the ANC in the Northern Cape from 1996 to 2009, she then joined the Department of Energy where she has made an immediate impact overseeing major policy reviews, including the 2010 integrated resource plan, the update of the national energy efficiency strategy, and currently, the development of the integrated energy plan.

Ladies and gentlemen, let me now introduce you to our keynote speaker, one of my first South African friends and a friend of our industry and an ally in our desire for a responsible transition to a lower carbon future – the Minister of Energy, the Honourable Minister Dipuo Peters.

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