

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

**INAUGURATION OF THE THUBELISHA SHAFT,
TWISTDRAAI COLLIERY**

**TUESDAY, 22 MAY 2012
SECUNDA**

AS DELIVERED

Thank you Hermann and good morning everyone. Thank you so much for joining us this morning at our Twistdraai colliery for the official opening of the Thubelisha Mine Shaft.

It's wonderful to see our business partners, customers, government stakeholders, and employees here today in Secunda - at the coal face of our operations.

I am especially delighted that the Honourable Minister Shabangu, Minister of Mineral Resources, and the MEC of the Govan Mbeki Municipality, Mr Nkambule, are able to join us today. Thank you so much for taking time out of your very busy schedules to be with us.

In South Africa, it is fair to say, that Sasol is primarily known as an oil, gas and petrochemical company. Many overlook the fact that we are also a mining company and South Africa's third largest coal producer. Our mining operations serve as the critical foundation for the majority of our liquid fuels and chemical businesses in the country.

I have been in South Africa and at Sasol for almost a year now and have quickly come to realise that the country has many exciting opportunities lying ahead.

It is my firm belief that our position as a leading mining country, attracting large-scale local and foreign investment, will go a long way to securing the country's successes long into the future.

Two weeks ago, Minister Shabangu, you highlighted to the nation in your budget address, the critical role that the mining industry must play to take advantage of the next wave of the commodities boom. Madame Minister, you reaffirmed the importance of optimising the sector's extractive capacity, while creating jobs and driving skills development objectives.

Minister, we, at Sasol, wholeheartedly agree with you.

This morning, in my opening remarks, I would like to focus on two key areas where Sasol is contributing to South Africa and the South African mining industry's success story:

- First, our ongoing investments in the country, which includes our investment in the Thubelisha Shaft we are inaugurating today.

- Second, I will reflect on the importance of people, the country's most critical resource, and how they, in turn, secure our successes.

Turning to Sasol's ongoing investments . . .

Here, in Secunda, we operate one of the world's largest underground coal-mining complexes. We produce over 40 million tons of coal annually with more than 90% of the coal mined being beneficiated by us to produce high quality synthetic fuels and a wide range of chemicals. Through Sasol's conversion of coal to liquid fuels, we are able to dramatically reduce our reliance on crude oil imports. This reduction has a positive impact of approximately R24 billion annually on South Africa's balance of payments.

We also export coal to our international power generation customers.

As you can see, our mining business is not only the foundation of Sasol's South African operations; it is also a key component to ensure the country's energy security and is a vital contributor to the country's growth and development goals.

But, as with all mineral resources, coal reserves have a lifespan. Our current Twistdraai colliery shaft system has reached its economical boundaries and requires us to relocate the shafts to Thubelisha.

To secure the ongoing supply of coal; to ensure the continued production of fuels and chemicals; and to guarantee the ongoing supply of these products, in 2009, Sasol Mining initiated the construction of this shaft to develop all-important new reserves.

"Thubelisha" is a Zulu word which means "new beginning" and, in our estimation, the Thubelisha Shaft will not only serve as a new beginning for Sasol but it will also serve to continue to supply coal long into the future up to 2039!

At Sasol, we invest for the long term and we remain proud to be a company that is firmly rooted in South Africa. Our local operations make both our domestic and international growth aspirations possible.

We continue to make significant investments in the region. Our capital expenditure in South Africa alone, over the past 3 years, was over R42 billion. Looking ahead, our current pipeline of projects has Sasol committing an additional R40 billion to its Southern African operations over the next two years.

The Thubelisha Shaft forms part of Sasol's capital commitment to South Africa and is our first major replacement mine since we started operations over six decades ago.

In mining, nothing is done on a small scale.

And it is certainly fitting to reflect on the scale of the project by giving you some statistics associated with the construction of this shaft.

More than 2.6 million cubic metres of earth was moved, over 4000 tons of steelwork was fabricated and erected, and over 34 000 cubic metres of concrete was poured.

In my view, this project is truly comparable with some of the most significant projects in the world.

The Thubelisha project is part of our mine replacement programme, which sees us replacing 60% of our operating capacity in Secunda over the next 8 years.

The overall mine replacement programme will require a total investment of R14 billion with R3.3 billion of that expended on the development of Thubelisha.

Now, turning to people, our most critical resource.

Investments and great achievements can only be secured through the efforts and ongoing commitment of people - not only Sasol people, but also through the support of the communities we operate in and the local, provincial and national governments.

I am personally proud of the positive impact this project has had on our local communities.

Many of our Sasol people - both our miners and construction workers, come from these communities. At the project's peak, over 2000 personnel were on site. And, when in full production, it is anticipated that the mine will employ more than 1600 people.

Our total mine replacement programme will ensure that more than 4000 jobs are retained. During the construction phases, an additional 5000 construction jobs will be created.

While our infrastructure developments and world-class products are certainly a vital part of the country's energy chain, at the core of our business are people. Our current and future success depends on our ability to attract, retain and develop highly skilled and passionate individuals.

Our commitment to skills development extends well beyond just our own requirements.

We have committed to the Technical Skills Business Partnership, the training of 900 artisans over and above our own needs as a further contribution to the national skills pool.

By developing a new generation of artisans, we are working with government to focus on skills development downstream of our primary products helping to ensure the necessary depth of skills to support the growth and development of the South African economy.

At Sasol Mining, our investment in people has been further boosted with the introduction of a learning system designed to accelerate skills development, and to provide a world-class technology-based learning experience. Computer-based learning in English, Zulu and Sotho has widened our reach. Our use of state-of-the-art simulators allow us to safely and efficiently advance the skills of our people, on an ongoing basis.

Of course, in all that we do, safety remains our top priority and a core value of everyone at Sasol. Whether we are constructing new shafts or whether we are mining, our safety goal remains zero harm to all.

Sasol Mining, in the recent past, has seen great improvements in its safety performance, following the implementation of a comprehensive safety improvement plan. I am pleased by these successes, but fully realise that we require a consistent and unrelenting focus on safety to sustain these achievements.

It is important that we always put safety first in all aspects of our lives. At the end of each working day, we need all of our people and service providers to get home safely.

As important as safety is in the context of people, transformation, is equally important for the country. Here, I am especially proud of the significant progress made by Sasol Mining in achieving a BEE ownership status of well over 40%. This represents the 20% shareholding of the black women-owned Ixia Coal company in Sasol Mining, and the 26% shareholding of our black Sasol Mining employees through the Sasol Inzalo Employee Share Option Scheme.

Through our partners, Ixia Coal, more than 5 000 rural and peri-urban women are benefiting from the Ixia Coal shareholding.

These beneficiaries have already received dividends from Sasol Mining in excess of R 25 million.

Before I hand back to Hermann, in addition to opening the Thubelisha Shaft today, I am delighted to also announce Sasol's commitment as part of the Sasol Mining Social and Labour Plan.

Over the next five years, we are committing R70 million on 12 community projects in the Secunda and surrounding areas. These projects will cover a wide range of aspects, including community safety, infrastructure development and a multi-purpose facility. In addition, the Sasol group executive recently approved R200 million over the next year for funding towards our Secunda and Sasolburg Rejuvenation Programme. These initiatives will be embarked upon in partnership with the local and provincial governments of Mpumalanga and the Free State.

As we celebrate the inauguration of the Thubelisha Shaft - this new beginning - I would like to extend my personal thanks to you, Minister Shabangu, and to you, Mr Nkambule.

The progress we have made to date in achieving the key milestones in our current mine replacement programme is thanks to the open and constructive support we have received from both the Department of Mineral Resources and the municipality.

I would also like to take this opportunity to thank the extended community - your continued support is setting us up for a promising future.

22 May 2012



Finally, my personal heartfelt thanks go to all the people of Sasol Mining and our contractors - not only for successfully completing the construction of the Thubelisha Shaft - a 3-year project - but for your ongoing and important contributions to our liquid fuels and chemicals businesses in South Africa.

Hermann, wishing you and your team safe and successful operations now and always. Thank you.

Back to you.

---000---