FINAL RESULTS ANNOUNCEMENT

MONDAY, 21 AUGUST 2017 AT 10H00

JOHANNESBURG

MEDIA PRESENTATION

SPEAKER NOTES

SASOL CFO

PAUL VICTOR

SLIDE 12: TITLE SLIDE

Thank you Steve and Bongani, and good morning ladies and gentlemen.

It is my pleasure to present our 2017 financial results to you today.

Our resilient set of results is slightly above the mid-point of the earnings range provided in our recent trading statement and ahead of market consensus.

SLIDE 13: KEY MESSAGES

2017 marked the start of an exciting era for Sasol, as we positioned ourselves to drive further value-based growth to enable us to deliver superior returns to our shareholders guided by our updated capital allocation framework.

Sasol is one of only a few companies globally that has the ability to generate sustainable cash flows at oil prices of $40 per barrel.

This compelling competitive advantage is underpinned by our resilient foundation businesses that we are continually improving so that we remain agile and flexible to operate in these volatile times.

Our continuous improvement drive, as mentioned by Steve and Bongani, will embrace innovation and leverage off our cost and cash programmes that have contributed to our current strong competitive position.

We are monitoring market conditions as we proactively mitigate our financial risks, through a disciplined and continuous hedging programme, to protect the balance sheet, create headroom and ensure sufficient liquidity.

These actions provide the foundation to enable our future value-based growth.

SLIDE 14: CHALLENGING MACROECONOMIC ENVIRONMENT

Volatility in global economic markets and political forces continued to add pressure and negatively impacted our results.

Oil prices did recover and averaged $50 per barrel in FY17, compared to $43 per barrel in 2016. However, the oil market continues to be volatile. Looking forward, we are planning for an oil price of $50 in FY18 and $55 per barrel in FY19.

During 2017, the rand/US dollar exchange rate averaged R13,61 and we expect Rand volatility to continue.

Therefore, we continue to execute on our hedging policy to mitigate these specific financial risks, which will enable us to continue to protect and strengthen the balance sheet in a strong rand and low oil price environment.

We have hedged against the downside risk in the crude oil price by covering over 80% of our crude oil exposure for the first half of FY18 at an average price of approximately $49 per barrel. To manage our exposure to the US dollar, approximately 70% of our nett rand to US dollar exposure has been hedged at a floor of R13,46 for FY18.

The Sasol business remains sensitive to movements in the rand/US dollar exchange rate and oil prices. We estimate that a 10 cents change in the annual average rand/US dollar exchange rate will affect our profit from global operations by approximately R710 million, while a US$1 dollar change in the crude oil price, will have an impact of approximately R850 million.

The Base chemical dollar basket prices increased by 6% on the back of market demand and higher oil prices.

Our Performance chemicals margins remained resilient during the period under review. The PC basket price was pulled down by mostly lower ammonia and Phenolics prices. However most of the other PC product lines increased their contribution margins from the previous year.

Fuel products pricing were driven by higher oil prices, but partially negated by lower average refining margins.

SLIDE 15: GROUP PROFITABILITY

Overall, we delivered a resilient operational performance across most of the value chain with record production volumes being achieved in Secunda Synfuels. Our European assets also produced at levels last seen in 2015.

Operating profit of R31,7 billion was up 31%, largely as a result of the higher average oil price,

a stellar cost performance as well as the positive impact of remeasurement and once-off items that I will unpack on the next slide.

This increase was partially negated by the impact of the stronger rand.

Headline earnings per share decreased by 15% to R35,15 while earnings per share increased by 54% to R33,36.

Core HEPS, which is HEPS adjusted for remeasurement, once-off items and the impact of the currency revaluation, amounted to R39 per share which is 6% higher compared to the prior year.

Our strategic focus to diversify earnings by product-slate and by geography is gaining momentum as illustrated by the pie charts on the slide.

LCCP, once commissioned, will move the slate much more to chemicals with the geographic split from foreign sources increasing to approximately 50% once the LCCP is in full operation.

A final dividend of R7,80 has been declared. This brings our total dividend for the financial year to R12,60 and equates to a 36% pay-out ratio or a 2,8 times cover of HEPS.

Capital expenditure, dominated by spend on the LCCP, decreased to R60,3bn, which is below market guidance. This was largely due to the strengthening exchange rate, re-phasing of the LCCP capital cash flow and active management of the capital portfolio.

SLIDE 16: OPERATING PROFIT | IMPACTED BY VOLATILE MACRO

I will now take you through the items impacting the operating profit compared to the previous year.

The stronger average and closing rand/US dollar exchange rate led to a 38% reduction in operating profit.

Higher crude oil and product prices positively affected profit by 30%.

Operating profit was positively impacted by the following once-off and remeasurement items :

- A positive net remeasurement impact of R11 billion consisting mainly of the:

- A partial impairment of the Canadian shale assets in FY16
- reversal of the LCCP impairment of $65 million in FY17 and
- a partial impairment of our US GTL project amounting to $130 million

- A further positive impact of R1,5 billion as a result of the mark to market valuation of our hedging positions was offset by the mining strike cost of R1,4 billion.

Further, Operating profit was positively impacted by contributions from our cost and cash savings initiatives, and increased sales volumes due to our continued focus on driving operations and marketing excellence.

SLIDE 17: CASH FIXED COSTS FLAT IN REAL TERMS

Our significant cost, cash and capital conservation change programmes have placed Sasol in a strong position to respond to the volatile macroeconomic environment.

We have embedded a culture of continuously looking for areas to sustainably drive out costs as we strive to deliver improved returns on invested capital.

Cash fixed costs remained flat in real terms for 3 years in a row, including the impact of the Mining strike.

As mentioned by Steve/Bongani earlier, our Business Performance Enhancement Programme and Response Plan targets have been exceeded and we are now targeting sustainable cost savings of at least R8,4 billion by FY19.

The mining strike, which we consider as a once-off cost, increased fixed costs by 1%.

Study, growth and other once-off costs were 1% higher compared to the prior year. While this represents an increase in fixed costs, it is critical to invest in opportunities as we position the company for the future in delivering on our value-based strategy.

On a macro level, South African producer price inflation increased costs by 6,0%.
The impact of the stronger average exchange rate during the period had 2,2% positive impact on costs.

SLIDE 18: MINING AND EPI OPERATING BUSINESS UNITS |

Now Focusing on our Operating Business Units:

Mining's operating profit decreased by 21% to R3,7 billion, mainly as a result of the increased costs associated with the 3 month strike in the first half of the financial year, as well as costs incurred to restore production run-rates and create sufficient flexibility.

Despite the strike, management interventions ensured an uninterrupted supply of coal, although at much higher prices.

We are busy ramping up our operations to previously achieved volume delivery levels. To speed up, a Business Improvement Plan is underway to refocus our efforts on improving productivity and cost efficiency and to restore flexibility.

Our export coal business benefited from higher international coal prices during the financial year which softened the negative impact of the mine strike action.

Exploration and Production International returned to profitability through focused management interventions in optimising of the asset portfolio. Cash fixed costs were down 29% across the business unit.

On a producing asset level, our Mozambican operations recorded a profit of R2,0 billion compared to R1,1 billion in the prior year. The increase was mainly as a result of a 2% increase in production volumes and positive currency translation effects.

Our Canadian assets generated a smaller operating loss driven largely by the 6% increase in volumes and the partial impairment booked in FY16.

The performance of our Gabon assets improved significantly to an operating profit of R295 million on the back of higher sales prices and the partial reversal of the impairment in the current year.

SLIDE 19: CHEMICALS

The chemical businesses continue to provide resilience to the overall group's earnings in a low oil price environment, with a combined contribution of 49% to group profitability.

On a normalised basis, Performance Chemicals operating profit increased by 2%.
This strong performance is largely as a result of higher sales volumes supported by an exceptional performance at our Eurasian Operations, which delivered its highest volumes since 2015.

Average margins for Performance Chemicals remained resilient and improved across most of our PC product lines.

Our FT Wax facility continues to ramp-up and produced 92 kilo tons of hard wax which is in line with our guidance.

Normalised operating profit in Base Chemicals was down 13% due to the stronger average rand. This was partly negated by the 6% higher dollar product basket price and higher sales volumes.

Normalised operating profit of R5,1 billion was still within the guidance provided.

The strong average exchange rate had a significant impact on the business year on year, resulting in negative exchange rate losses of approximately R2,5 billion.

SLIDE 20: ENERGY SBU

Our Energy business delivered a fair set of results, relative to the current macroeconomic environment, as evidenced by the 19% decline in petrol differentials. Diesel differentials were however 11% higher.

Liquid fuels sales volumes were 2% lower following a decision by management to move more molecules towards our higher yielding chemical businesses. Our Natref facility experienced a difficult year and plans are in place to improve the reliability of the refinery.

The Southern Africa Energy portfolio was further impacted by a stronger closing rand/US dollar exchange rate. However, management's focus on factors within their control, resulted in an 6% reduction in real cash fixed costs over the last 3 years.

Our ORYX GTL venture achieved an average utilisation rate of 95% over the period exceeding market guidance.

We have raised a provision of R1,2 billion relating to an ongoing tax dispute with the SA Revenue Service relating to our international oil procurement activities. Sasol has constructively engaged with SARS and will continue to defend our view through the legal process.

SLIDE 21: CAPITAL SPEND FORECAST

Our actual capital expenditure for the period was R60,3 billion. This includes capital expenditure for LCCP amounting to R37 billion or US$2,7 billion.

Our 2018 forecast reduces slightly to R59 billion, largely due to the impact of the stronger rand and optimisation of the LCCP spend profile.

We estimate the capital expenditure of LCCP to be approximately US$2,8 billion for FY18 and US$600 million for FY19.

We have based our forecast on a R13,00 to the dollar exchange rate for FY18 and R13,50 for FY19.

Further Rand strength will have a positive impact on these estimates as the bulk of our expenditure over the next two years is dollar based relating to the LCCP and the PSA in Mozambique.

Construction of our HDPE plant, in partnership with Ineos, is essentially complete with start-up on track for the fourth quarter of this calendar year.

SLIDE 22: LIQUIDITY HEADROOM

The group is still maintaining a positive cash position.

We estimate that cash on hand together with funds generated from operations, and our existing borrowing facilities, will be sufficient to cover our capital and debt service requirements in the years ahead.

The current market volatility & stage of execution of our growth program requires from us to pro-actively protect our balance sheet, and to ensure that we have sufficient liquidity available.

This will be achieved through :

- continued contribution of our cash, and capital conservation programmes,
- the sustained performance of our diversified global assets,
- and the execution of our financial risk mitigation strategy

Important to note that we have commenced with a detailed review of all our assets and will be critically evaluating them against stringent financial metrics as we target improving our return on invested capital for our foundation businesses.

Outcomes of this process will be communicated to the market in due course where relevant.

Our gearing increased to 27% which is 2% lower than our own estimates.

Our net debt to EBITDA has increased to 1,1 times and we are confident that our gearing and net debt to EBITDA will be below our self-imposed internal targets of 44% and 2 times.

Our credit ratings are a critical focus area and we will strive to maintain them at the current investment grade levels.

We remain confident that the interventions already in place will ensure that we can navigate the volatile environment safely.

We remain committed to our dividend cover policy guided by our updated capital allocation framework.

We will use this framework to guide us to drive our value-based growth strategy as we look beyond the start-up of LCCP. Further details will be communicated at the Capital Markets Days later this year.

SLIDE 23: FY18 OUTLOOK

We expect macroeconomic headwinds to continue in FY18, however we will leverage our strong position to deliver sustainable value.

We expect to start seeing positive results from our Mining business improvement plan with costs and production returning to normalised levels.

We project South African liquid fuels sales volumes to be approximately 60 million barrels with ORYX GTL's utilisation rate averaging above 90%.

Base Chemicals sales volumes are expected to be between 3 and 5% higher from our current asset base. We expect normalised operating profit of between R3 and R5 billion

Performance Chemical's sales volumes to be 2 to 3% higher with our Wax Expansion Project delivering approximately 116kt of hard wax. Average margins are expected to remain resilient.

We expect our balance sheet to reach gearing levels of between 35 to 44% and net debt to EBITDA to be below 2 times.

In closing,

As we prepare for the first units of LCCP coming on line and the expected increased cash flow, our balance sheet will start to deleverage from FY19. We are committed to a disciplined capital allocation framework which will prioritise dividends for our shareholders as we target maximum sustainable shareholder return.

On that note, I'll hand back to Bongani who will open the floor for questions and answers section.