

Production and sales metrics for the period ended 31 December

		% change 2018 vs 2017	Half year 2018	Half year 2017	Full year 2017	Full year 2016
Mining						
Production						
Saleable production ¹	mm tons	14	18,9	16,6	36,0	40,3
External purchases						
	mm tons	(41)	2,6	4,4	8,0	5,0
Internal sales						
Energy	mm tons	(3)	11,4	11,7	23,8	24,9
Base Chemicals	mm tons	(4)	6,6	6,9	12,9	12,6
Performance Chemicals	mm tons	–	2,2	2,2	4,8	4,6
External sales						
International and other domestic	mm tons	6	1,7	1,6	3,0	3,2
Exploration and Production International						
Production						
Natural gas - Canada	bscf	(5)	10,1	10,6	21,9	20,7
Condensate - Canada	m bbl	(11)	42,0	47,2	85,6	143,7
Natural gas - Mozambique (Sasol's 70% share) ²	bscf	–	59,4	59,5	116,6	114,4
Condensate - Mozambique (Sasol's 70% share)	m bbl	(24)	134	177	325	324
Crude oil Gabon (after royalties) ³	m bbl	(3)	586	606	1 279	1 553
External sales						
Natural gas - Canada	bscf	(5)	10,1	10,6	21,9	20,7
Condensate - Canada	m bbl	(11)	42,0	47,2	85,6	143,7
Natural gas - Mozambique	bscf	(6)	7,7	8,2	16,2	16,4
Condensate - Mozambique	m bbl	(24)	133	175	328	324
Crude oil Gabon (after royalties)	m bbl	(16)	519	616	1 293	1 529
Internal sales						
Natural gas - Mozambique to Energy	bscf	(4)	26,8	27,8	54,7	55,1
Natural gas - Mozambique to Base Chemicals	bscf	(6)	10,1	10,8	20,8	19,7
Natural gas - Mozambique to Performance Chemicals	bscf	17	14,8	12,7	24,9	23,2
Energy						
Production						
Synfuels refined product (white product) ⁴	mm bbl	1	15,9	15,8	32,5	33,2
Natref⁵						
Crude oil (processed)	mm bbl	(22)	7,9	10,1	20,3	21,2
White product yield	%		89,7	88,4	89,3	91,1
Total yield	%		97,1	96,2	96,9	97,7
Production	mm bbl	(21)	7,7	9,7	19,7	20,7
ORYX GTL⁶						
Production	mm bbl	4	2,89	2,78	5,49	4,72
Utilisation rate of nameplate capacity	%		99	95	95	81
Escravos (EGTL)⁷						
Production (Sasol's 10% share)	mm bbl	100	0,32	–	0,16	0,47
External purchases						
White product ⁸	mm bbl	61	5,3	3,3	6,7	6,3
Natural gas [*]	bscf	(3)	11,5	11,9	23,4	23,6
Internal purchases						
Coal (Mining)	mm tons	(3)	11,4	11,7	23,8	24,9
Natural gas (EPI)	bscf	(4)	26,8	27,8	54,7	55,1
Sales						
Liquid fuels - white product ⁹	mm bbl	(3)	27,6	28,4	57,4	58,8
Liquid fuels - black product ⁹	mm bbl	(17)	1,0	1,2	2,6	2,5
Natural gas	bscf	–	16,9	16,9	33,5	33,4
Methane rich gas ¹⁰	bscf	(16)	10,7	12,7	23,3	24,7
Retail convenience centres (RCCs)¹¹						
	number	1	394	392	397	388

* Reflects natural gas purchases from the 30% JV partners in Mozambique.

		% change 2018 vs 2017	Half year 2018	Half year 2017	Full year 2017	Full year 2016
Base Chemicals						
External purchases						
Natural gas*	bscf	(7)	4,3	4,6	8,9	8,4
Internal purchases						
Coal (Mining)	mm tons	(4)	6,6	6,9	12,9	12,6
Natural gas (EPI)	bscf	(6)	10,1	10,8	20,8	19,7
Sales						
Polymers	kt	18	857	723	1 363	1 303
Solvents	kt	–	472	474	982	942
Fertilizers	kt	(1)	256	260	437	454
Explosives	kt	1	169	167	325	327
	kt	8	1 754	1 624	3 107	3 026
Normalised total (asset disposals & business changes and planned shutdowns)¹²						
	kt	(1)	1 754	1 775	3 436	3 423
Base Chemicals sales basket price (excluding US Ethylene)¹³						
	\$/ton	11	846	764	809	763
Performance Chemicals						
External purchases						
Natural gas*	bscf	17	6,3	5,4	10,7	9,9
Internal purchases						
Coal (Mining)	mm tons	–	2,2	2,2	4,8	4,6
Natural gas (EPI)	bscf	17	14,8	12,7	24,9	23,2
Total feedstock cost**	R/ton	10	7 153	6 522	6 187	7 154
Total feedstock cost**	EUR/ton	7	454	425	417	444
Sales						
Organics ¹⁴	Rm	–	24 091	24 084	49 632	50 687
Waxes	Rm	8	4 450	4 114	8 260	10 183
Other	Rm	(2)	4 731	4 824	9 915	10 384
	Rm	1	33 272	33 022	67 807	71 254
Normalised sales¹⁵						
Organics	Rm	7	22 097	20 600	43 631	42 176
Waxes	Rm	8	4 450	4 114	8 260	10 183
Other	Rm	(2)	4 731	4 824	9 915	10 384
	Rm	6	31 278	29 538	61 806	62 743
Sales volumes						
Organics	kt	(10)	1 010	1 125	2 347	2 304
Waxes ¹⁶	kt	6	252	237	482	528
Other	kt	(1)	363	365	711	626
		(6)	1 625	1 727	3 540	3 458
Normalised total (asset disposals & business changes and planned shutdowns)¹⁷						
	kt	3	1 625	1 576	3 233	3 118

* Reflects natural gas purchases from the 30% JV partners in Mozambique.

** Includes feedstock cost of natural gas, coal and foreign currency denominated feed streams. The cost is therefore impacted by currency fluctuations of the rand against major currencies.

		Half year 2018	Full year 2017
Lake Charles Chemicals Project¹⁸			
Cumulative capital expenditure to date	US\$m	8 750	7 500
Percentage of completion	%	81	74
		Full year 2018	Full year 2019
Significant hedging activities - Sasol group¹⁹			
Brent oil - put options			
Number of barrels hedged	mm bbl	50,25	24,00
Average Brent crude oil price floor, net of costs	US\$/bbl	47,82	51,51
Rand/US dollar currency - zero-cost collar instruments			
US\$ exposure hedged	US\$m	4,00	2,10
Annual average floor	R/US\$	13,46	14,16
Annual average cap	R/US\$	15,51	16,33
Export coal - swaps			
Number of tons hedged	mm tons	2,80	1,40
Average coal swap price	US\$/ton	76,11	81,82
Ethane gas - swaps			
Number of barrels hedged	mm bbl	0,90	–
Average ethane gas swap price	US\$ c/gal	27,74	–

Commentary

- 1 We are continuing to stabilise our mining operations post the strike in financial year 2017. We have seen improved production run rates, increased cost efficiency and higher export coal prices when compared to the prior year and continue to ramp up towards productivity levels, pre the strike. Our mining operations were interrupted in December 2017 due to a tragic fatality at our Syferfontein Colliery which resulted in lower than expected production volumes. We are currently restoring the coal stockpile through our own production and additional external purchases to ensure continued supply to the Sasol integrated value chain.
- 2 The current rate of production is on track to achieve the upper end of our market guidance for gas production of 114 – 118bscf.
- 3 Production volumes is slightly lower than the prior period due to a planned shutdown during Q1 FY18. Post the shutdown, we have recovered the lost volumes and expect to achieve our full year production volumes target. Our annual planned volumes are lower than the previous year due to the natural decline of the field.
- 4 Production of white product increased by 1% due to higher volumes allocated from Secunda Synfuels operations (SSO) due to the planned shutdown of the Superflex Catalytic Cracker (SCC) plant. SSO remains on track to produce 7,8mm tons for the financial year.
- 5 Natref production volumes decreased by 21% due to the impact of a planned shutdown of the crude distillation unit (CDU) in Q2 of FY18 and the unplanned plant incident at the start of the financial year, following an unexpected Eskom supply interruption. The shutdown was completed seven days ahead of schedule and we expect an improved run rate for the next six months, averaging between 620 and 630m³/per hour. This guidance takes into account the planned hydrocracker block shutdown in May 2018.
- 6 ORYX GTL production volumes increased by 4% with an average utilisation rate of 99%. We still expect the full year average utilisation rate to be above 92%, taking into account the impact of two planned plant shutdowns in the remainder of the financial year. This is in line with the market guidance.
- 7 At EGTL, we are making steady progress in ramping up the operations towards design capacity. We are also implementing plans to reduce overhead costs.
- 8 External purchases increased due to lower production and a stock build ahead of the planned CDU shutdown at Natref in Q2 of FY18.
- 9 Liquid fuels sales volumes in our Energy Business decreased by 3% due to a decrease in Natref volumes and lower demand underpinned by a challenging South African economic environment. Based on our planned production at SSO and Natref, we expect to achieve liquid fuels sales of approximately 59 million barrels, slightly below the previous market guidance.
- 10 Methane rich gas sales volumes decreased by 16% mainly due to lower market demand. The available gas was re-routed and utilised in our integrated value chain.
- 11 During the period, we opened three new retail convenience centres (RCCs) and divested from six non-profitable RCCs. Subsequently, two new RCCs were opened in January 2018 and a further seven RCC's are planned to come on-stream by the end of FY18.
- 12 Our Base Chemicals sales volumes, normalised for the transfer of US ethylene business from Performance Chemicals, decreased by 1% mainly due to lower volumes from SSO due to the SCC shutdown and higher inventory holdings resulting from port constraints in South Africa. Sales volumes lost as a result of the port constraint will be recovered during the second half of the financial year. In the US, our ethylene sales were impacted by Hurricane Harvey and an initial stock build for our high density polyethylene joint venture that reached beneficial operation during November 2017.
- 13 Our US dollar basket sales price, excluding US ethylene, of US\$846/ton has increased in line with the upward trend in crude oil prices.
- 14 Sales includes revenue from kerosene in our alkylates business of R2,0bn (Q2FY17 – R1,9bn; FY17 – R3,3bn; FY16 – R5,8bn) that is sold back to third parties after paraffin is extracted from it. The sale back is recorded as revenue but is not included in production or sales volumes.
- 15 Sales, normalised for the transfer of the US ethylene business and the kerosene sales in our Alkylates business, increased by 6%.
- 16 Sales volumes increased by 6%, with our FTWEP facility performing well ahead of expectations and on track to achieve our production market guidance of 116kt.
- 17 Our Eurasian operations increased production volumes by 2% due to stronger product demand and increased plant availability. Accordingly sales volumes, normalised for the transfer of the US ethylene business, increased by 3%.
- 18 We are making steady progress with our LCCP project in Lake Charles. The total forecasted capital cost for the project remains within the previous market guidance of US\$11,13 billion and project progress is tracking the approved schedule. The recent tax reform changes in the US will have a positive impact on the returns of the asset and is expected to provide increased value to shareholders. More detail on the impact of the tax reform changes will be shared with the interim results to be released on 26 February 2018.
- 19 We are currently executing on our hedging programme for FY19 with 37% of our exposure to the Rand/US dollar exchange rate and 40% of our oil exposure (based on our annualised production) already hedged. Our hedging programme for FY18 has been completed, with 70% of our exposure to the Rand/US dollar exchange rate and 84% of our oil exposure being hedged.

The preliminary production and sales metrics for the period ended 31 December 2017 have not been reviewed and reported on by our external auditors.

Abbreviations

m bbl - thousand barrels	kt - thousand tons
mm bbl - million barrels	Rm - Rand millions
mm tons - million tons	\$/ton - US dollar per ton
bscf - billion standard cubic feet	R/ton - Rand per ton
EUR/ton - Euro per ton	R/US\$ - Rand/US dollar currency
US\$/bbl - US dollar per barrel	US\$bn - US dollar billions
US\$/ton - US dollar per ton	US\$m - US dollar millions