

# Sasol Limited Group

## Production and sales metrics for the period ended 30 September

		% change 2018 vs 2017	Quarter 1 2018	Quarter 1 2017	Full year 2017	Full year 2016
<b>Mining</b>						
<b>Production</b>						
Saleable production <sup>1</sup>	mm tons	22	10,0	8,2	36,0	40,3
<b>External purchases</b>						
	mm tons	(16)	1,6	1,9	8,0	5,0
<b>Internal sales</b>						
Energy	mm tons	(7)	5,5	5,9	23,8	24,9
Base Chemicals	mm tons	10	3,3	3,0	12,9	12,6
Performance Chemicals	mm tons	(9)	1,0	1,1	4,8	4,6
<b>External sales</b>						
International and other domestic	mm tons	(6)	0,7	0,8	3,0	3,2
<b>Exploration and Production International</b>						
<b>Production</b>						
Natural gas - Canada	bscf	26	5,3	4,2	21,9	20,7
Condensate - Canada	m bbl	-	21,2	21,1	85,6	143,7
Natural gas - Mozambique (Sasol's 70% share) <sup>2</sup>	bscf	(1)	29,6	29,8	116,6	114,4
Condensate - Mozambique (Sasol's 70% share)	bscf	(29)	65	92	325	324
Crude oil Gabon (after royalties) <sup>3</sup>	m bbl	(10)	285	317	1 279	1 553
<b>External sales</b>						
Natural gas - Canada	bscf	26	5,3	4,2	21,9	20,7
Condensate - Canada	m bbl	-	21,2	21,1	85,6	143,7
Natural gas - Mozambique	bscf	(5)	3,9	4,1	16,2	16,4
Condensate - Mozambique	m bbl	(26)	67	91	328	324
Crude oil Gabon (after royalties)	m bbl	(14)	283	328	1 293	1 529
<b>Internal sales</b>						
Natural gas - Mozambique to Energy	bscf	(7)	13,3	14,3	54,7	55,1
Natural gas - Mozambique to Base Chemicals	bscf	(4)	5,0	5,2	20,8	19,7
Natural gas - Mozambique to Performance Chemicals	bscf	19	7,4	6,2	24,9	23,2
<b>Energy</b>						
<b>Production</b>						
Synfuels refined product (white product)	mm bbl	-	7,7	7,7	32,5	33,2
<b>Natref<sup>4</sup></b>						
Crude oil (processed)	mm bbl	(8)	4,9	5,3	20,3	21,2
White product yield	%		90,1	90,0	89,3	91,1
Total yield	%		97,8	97,0	96,9	97,7
Production	mm bbl	(6)	4,8	5,1	19,7	20,7
<b>Oryx GTL<sup>5</sup></b>						
Production	mm bbl	12	1,45	1,30	5,49	4,72
Utilisation rate of nameplate capacity	%		99	89	95	81
<b>Escravos (EGTL)<sup>6</sup></b>						
Production (Sasol's 10% share)	mm bbl	100	0,15	-	0,16	0,47
<b>External purchases</b>						
White product <sup>7</sup>	mm bbl	72	3,1	1,8	6,7	6,3
Natural gas*	bscf	(7)	5,7	6,1	23,4	23,6
<b>Internal purchases</b>						
Coal (Mining)	mm tons	(7)	5,5	5,9	23,8	24,9
Natural gas (EPI)	bscf	(7)	13,3	14,3	54,7	55,1
<b>Sales</b>						
Liquid fuels - white product <sup>8</sup>	mm bbl	(2)	14,0	14,3	57,4	58,8
Liquid fuels - black product <sup>9</sup>	mm bbl	(17)	0,5	0,6	2,6	2,5
Natural gas	bscf	(1)	8,8	8,9	33,5	33,4
Methane rich gas <sup>9</sup>	bscf	(21)	5,3	6,7	23,3	24,7
<b>Retail convenience centres (RCCs)</b>						
	number	2	398	389	397	388

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

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		% change 2018 vs 2017	Quarter 1 2018	Quarter 1 2017	Full year 2017	Full year 2016
<b>Base Chemicals</b>						
<b>External purchases</b>						
Natural gas*	bscf	(5)	2,1	2,2	8,9	8,4
<b>Internal purchases</b>						
Coal (Mining)	mm tons	10	3,3	3,0	12,9	12,6
Natural gas (EPI)	bscf	(4)	5,0	5,2	20,8	19,7
<b>Sales</b>						
Polymers <sup>10</sup>	kt	22	435	357	1 363	1 303
Solvents <sup>11</sup>	kt	9	252	231	982	942
Fertilizers	kt	1	116	115	437	454
Explosives	kt	(2)	88	90	325	327
	kt	12	891	793	3 107	3 026
<b>Normalised total (asset disposals &amp; business changes and planned shutdowns)<sup>12</sup></b>						
	kt	3	891	869	3 436	3 423
<b>Base Chemicals sales basket price<sup>13</sup></b>						
	\$/ton		839	800	809	763

**Performance Chemicals**

<b>External purchases</b>						
Natural gas*	bscf	19	3,2	2,7	10,7	9,9
<b>Internal purchases</b>						
Coal (Mining)	mm tons	(9)	1,0	1,1	4,8	4,6
Natural gas (EPI)	bscf	19	7,4	6,2	24,9	23,2
<b>Total feedstock cost**</b>	R/ton	-	6 745	6 718	6 187	7 154
<b>Total feedstock cost**</b>	EUR/ton	2	435	427	417	444
<b>Sales</b>						
Organics <sup>14,15</sup>	Rm	(9)	11 760	12 899	49 632	50 687
Waxes	Rm	2	2 217	2 184	8 260	10 183
Other <sup>16</sup>	Rm	(9)	2 224	2 438	9 915	10 384
	Rm	(8)	16 201	17 521	67 807	71 254
<b>Normalised sales<sup>17</sup></b>						
Organics	Rm	3	10 986	10 708	43 631	42 176
Waxes	Rm	2	2 217	2 184	8 260	10 183
Other	Rm	(9)	2 224	2 438	9 915	10 384
	Rm	1	15 427	15 330	61 806	62 743
<b>Sales volumes</b>						
Organics <sup>14</sup>	kt	(10)	522	579	2 347	2 304
Waxes <sup>18</sup>	kt	7	129	121	482	528
Other	kt	1	174	172	711	626
		(5)	825	872	3 540	3 458
<b>Normalised total (asset disposals &amp; business changes and planned shutdowns)<sup>14</sup></b>						
	kt	4	825	796	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.

		Quarter 1 2018	Full year 2017
<b>Lake Charles Chemicals Project<sup>19</sup></b>			
Cumulative capital expenditure to date	US\$m	8 186	7 500
Percentage of completion	%	79	74

		Full year 2018	Full year 2019
<b>Significant hedging activities - Sasol group<sup>20</sup></b>			
<b>Brent oil - put options</b>			
Number of barrels hedged (84% of annualised production)	mm bbl	50,25	-
Average Brent crude oil price floor, net of costs	US\$/bbl	47,82	-
<b>Rand/US dollar currency - zero-cost collar instruments</b>			
US\$ exposure hedged (70% of net R/US\$ exposure)	US\$b	4,00	-
Annual average floor	R/US\$	13,46	-
Annual average cap	R/US\$	15,51	-
<b>Export coal - swap options</b>			
Number of tons hedged	kt	2,80	0,70
Average coal swap price	US\$/ton	76,11	82,59

**Commentary**

- 1 We are starting to see improved production run rates, labour productivity and cost efficiency resulting from our business improvement programme. We are on track to achieve our targeted “Mining unit cost of production” of between R260 — R270/ton for the financial year, which equates to the 2016 “Mining unit cost of production” plus inflation and excludes the effect of the strike cost. This is a strong indicator of the business stabilising, post the strike, and returning to normal operation.
- 2 The current rate of production is in line to achieve the upper end of our market guidance for gas production of 114 — 118bscf.
- 3 The decrease in production volumes is due to a planned facility shutdown during the quarter. Post the shutdown, we have recovered the lost volumes and expect to achieve our full year production volumes target. Our planned volumes are lower than the previous year due to the natural decline of the field.
- 4 Natref production volumes decreased by 6% due to an unplanned plant incident late June 2017, which flowed into July 2017 (FY18), following an unexpected Eskom supply interruption. The plant is also undergoing a planned shutdown in Q2 of FY18 which will focus on improving the performance of the Crude Distillation Unit (CDU). Accordingly, based on our current plans and projected production run rates, we still expect to achieve the targeted volumes in support our liquid fuels sales guidance of approximately 60 million barrels.
- 5 ORYX GTL production volumes increased by 12% with an average utilisation rate of 99%. Based on this outstanding performance, we are increasing our expected full year utilisation rate to above 92%, up 2% from our previous market guidance.
- 6 We still remain on track to achieve our production target by the end of the financial year.
- 7 External purchases increased due to lower production and a stock build ahead of the planned Natref shutdown in Q2 of FY18.
- 8 Liquid fuels sales volumes decreased by 3% due to lower production at Natref. However, given the high planned production rates and improved stability at Synfuels and Natref’s current production plan, we expect to achieve our previous market guidance of approximately 60 million barrels.
- 9 Methane rich gas sales volumes decreased by 21% mainly due to lower market demand. The gas was however re-routed and utilised in our operations.
- 10 Our polymer sales volumes, normalised for the transfer of the US ethylene business from Performance Chemicals (1Q FY18 — 63kt; 1Q FY17 — 76kt; FY17 — 307kt; FY16 — 340kt), remained flat mainly due to the impact of Hurricane Harvey on our current US Ethylene business. Our South African operations however reported a 4% increase in volumes.
- 11 Sales volumes increased by 9% due to increased plant stability and debottlenecking of the N-propanol unit.
- 12 Overall sales volumes, normalised for the transfer of the US ethylene business, increased by 3% due to market demand, debottlenecking projects and increased plant stability.
- 13 Our US dollar basket sales price of US\$839/ton has increased in line with the upward trend in crude oil prices.
- 14 Sales volumes, normalised for the transfer of the US ethylene business, increased by 4%, driven largely by increased surfactant and alkylate sales.
- 15 Sales includes revenue from kerosene in our Italian alkylates business of R0,8bn (Q1FY17 — R1,5bn; 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.
- 16 The decrease in sales is mainly related to lower ammonia pricing due to an oversupply in the market as well as a deterioration in sales volumes for the Phenolics business.
- 17 Sales, normalised for the transfer of the US ethylene business and the kerosene sales in our Italian Alkylates business, increased by 1%.
- 18 Our FTWEP facility continues to ramp up and is performing well ahead of expectations. We remain on track to achieve our market guidance of producing 116kt of hard wax in FY18.
- 19 We are making steady progress with our LCCP project in Lake Charles. The impact of Hurricane Harvey has been estimated to result in a schedule delay of approximately four weeks and additional costs of approximately US\$130 million. We however still expect start-up of the first units to take place in the second half of 2018 and the project to remain within the approved US\$11 billion budget.
- 20 Our hedging programme for FY18 has been completed. We have hedged 70% of our exposure to the Rand/US dollar exchange rate and 84% of our oil exposure (based on our annualised production). The premium paid for oil hedges in respect of FY18 amounts to R1,2 billion, which will be recognised as an expense in earnings.

*The preliminary production and sales metrics for the period ended 30 September 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