

Sasol Limited  
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("Sasol" or "the Company")

## **UPDATE ON THE LAKE CHARLES CHEMICALS PROJECT (LCCP) LOW-DENSITY POLYETHYLENE UNIT AND SASOL PUBLISHES PRODUCTION AND SALES METRICS FOR THE FINANCIAL HALF YEAR ENDED 31 DECEMBER 2019**

### **LCCP Low-Density Polyethylene Unit update**

At Lake Charles, we maintain our focus on safely improving productivity in the field and bringing the plants into beneficial operation. The project continued with its exceptional safety record with a recordable case rate of 0,10.

At the end of December 2019, engineering and procurement activities were substantially complete and construction progress was at 98%. Overall project completion was at 99% and capital expenditure amounted to US\$12,5 billion.

An explosion and fire occurred at the low-density polyethylene (LDPE) unit on 13 January 2020. All employees and contractors are safe and accounted for. In line with standard safety protocols as well as the necessary regional requirements, the unit had to be made safe before re-entry of personnel into the affected area could be allowed. The area which is the subject of the explosion, is a high pressure section of the LDPE unit.

The investigation is underway to determine the cause, extent of the damage, and the scope and timeline of repair. Initial findings indicate the damage is limited to a small portion of the LDPE unit and, importantly, major equipment such as the compressors were unaffected. Parallel commissioning activities on the remainder of the LDPE unit will continue. The technology providers, licensors and other external experts are fully engaged and in addition, we have mobilized and dispatched a team of Sasol technical and operations experts to support the investigation team.

During the time of the delay in the LDPE unit start-up, the ethylene produced by the cracker and destined for the unit will be sold externally. The projected earnings for the LCCP complex in this financial year will only be impacted by the loss in the margin of ethylene to low-density polyethylene. In addition, the insurance process has been initiated and cover includes construction and commissioning activities. We expect to determine the repair scope and outage duration by the second half of February.

All previously commissioned units were unaffected and are operating to plan. The Ethoxylates, Ziegler and Guerbet plants are also unaffected and remain within cost and schedule as per our previous guidance.

## **Production and sales metrics for the financial half year ended 31 December 2019**

Sasol has published its production and sales metrics for the financial half year ended 31 December 2019 on the Company's website at [www.sasol.com](http://www.sasol.com), under the Investor Centre section or via this URL: <http://www.sasol.com/investor-centre/financial-reporting/business-performance-metrics>.

Sasol expects a largely strong operational performance for the financial year ending 30 June 2020, with:

- The Mining business updating their full year forecasted productivity to 1 170 – 1 200 t/cm/s. This will however result in further external coal purchases of approximately 1,3 – 1,6 million tons during H2 FY20 to supplement the contracted Isibonelo volumes and enable recovery to desired stockpile levels;
- Gas production volumes from the Petroleum Production Agreement in Mozambique is expected to be 114 – 118 bscf, in line with previous market guidance;
- Secunda Synfuels Operations full year production is forecasted to be approximately 7,7 – 7,8 million tons, in line with previous market guidance;
- Natref is targeting production rates of above 600m<sup>3</sup>/h for the remainder of the year;
- Energy's sales volumes are on track to achieve previous market guidance of approximately 57 – 58 mm bbl for FY20;
- As previously communicated, ORYX GTL expects to achieve a utilisation rate of 55% – 60% for FY20 due to an extended planned shutdown during H2 FY20;
- In line with previous market guidance, Base Chemicals sales volumes (excluding Polymers US products) are expected to be 1 – 2% higher than the prior year, and the total sales volumes are expected to be 15 – 20% higher than the prior year; and
- Given the continuing macroeconomic headwinds and the softer outlook on global GDP growth in calendar year 2020, Performance Chemicals expects sales volumes for the full financial year to remain flat to slightly below the prior year's level (excluding LCCP). Total sales volumes for the business are expected to be 7 - 9% higher than the prior year.

24 January 2020  
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