060901 pcmin

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Overview of Sasol Oil's business and its Black Economic Empowerment (BEE) programme

Presentation to members of Minerals and Energy PPC: 1 September 2006

Presentation Themes

- Overview of Sasol Oil's business
- Progress on ownership, board representation and management control
- Progress on employment equity
- Progress on BEE procurement and enterprise development
- Corporate social investment and skills development

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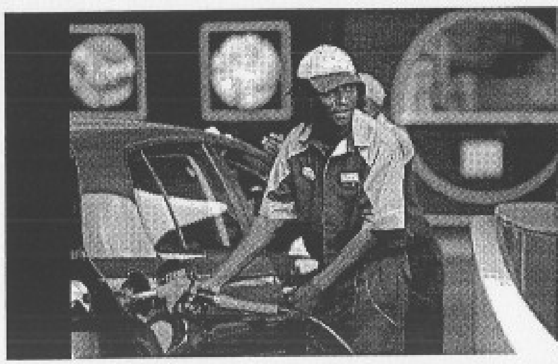
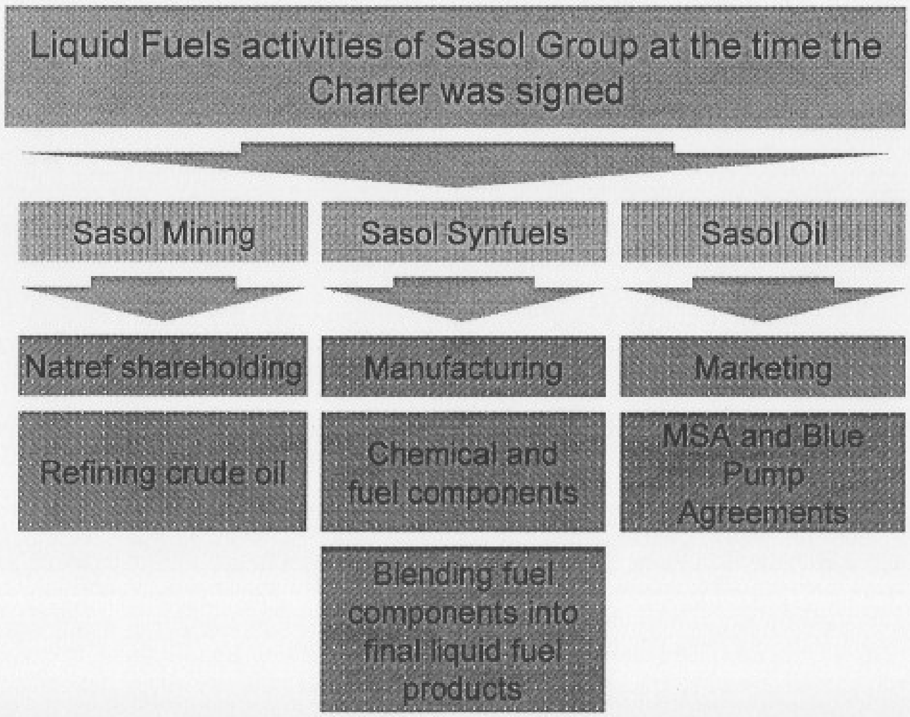


Overview of Sasol Oil's business

How was Sasol Oil structured?

- Restructuring was required:



- Rationale:
  - *Sasol Oil business was restructured and designed to give effect to the Liquid Fuels Charter requirements*
  - *Compete on an equal footing with the foreign owned oil companies' businesses in South Africa*

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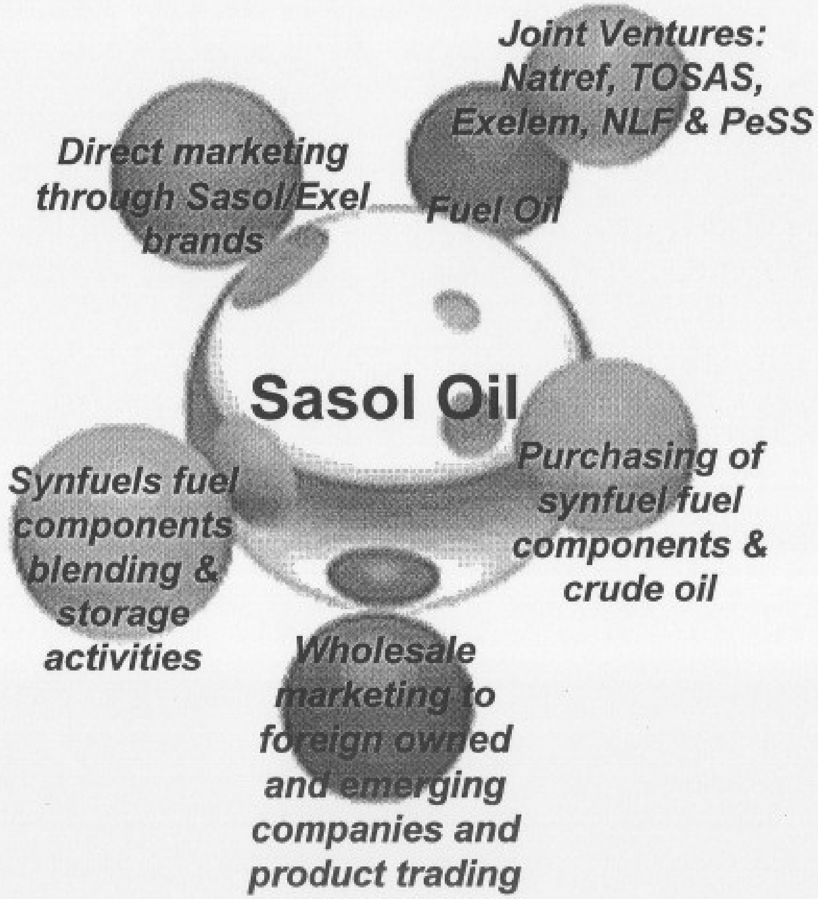
Sasol Oil salient features

75% Sasol Ltd & 25% Tshwarisano



- >8,5 million m³ white fuel production capacity
- 0,5 million m³ residual products production

Marketed through

- Wholesale supply agreements
- Sasol/Exel retail brands
- Commercial marketing
- Africa overland and deep sea exports

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Essence of Component Supply Agreement (CSA)

- Salient features of CSA:
  - *An evergreen supply agreement dated July 2003*
  - *Sale of 100 000 barrels (bbls) per day of fuel components to produce final products*
  - *Exclusive for the first 10 years*
  - *Equivalent to a typical coastal crude oil refinery*
  - *Sasol Oil owns the blending plant and storage facilities (Replacement value of +/- R1billion)*
  - *This margin is referred to as the* **"Virtual Refinery Margin"**
  - *Margin equivalent to that earned by a typical coastal refiner.*
    - *Price paid for components is BFP – Discount (Virtual Refinery Margin)*
  - *All components must be able to be blended to comply with product specifications (current and future)*

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What benefits does this arrangement have for Tshwarisano and Sasol?

- A majority share in an inland refinery as well as earning a refining margin similar to that enjoyed by the businesses of the foreign owned oil companies in South Africa from CTL
- Significant blending and integration of feedstock synergies are maintained between Sasol Synfuels and Sasol Oil's share in Natref
- Sasol can honour its commitments in terms of the charters for various sections of its businesses e.g. mining, liquid fuels, etc. and for the different empowerment partners for these businesses
- The cost for a single empowerment grouping to acquire a meaningful stake across all of the Sasol businesses would be challenging