



# LCCP Base Chemicals: Creating a 50/50 Joint Venture with LyondellBasell

October 2020



*Celebrating*  
**70** years

POSITIONING FOR A  
SUSTAINABLE FUTURE



## AGENDA

- Transaction overview
  - Key terms
  - Transaction scope
  - Operational impact
  - Conditions and next steps
- Deleveraging pathway

## Forward-looking statements and definitions

Sasol may, in this document, make certain statements that are not historical facts and relate to analyses and other information which are based on forecasts of future results and estimates of amounts not yet determinable. These statements may also relate to our future prospects, expectations, developments and business strategies. Examples of such forward-looking statements include, but are not limited to, the impact of the novel coronavirus (COVID-19) pandemic on Sasol's business, results of operations, financial condition and liquidity and statements regarding the effectiveness of any actions taken by Sasol to address or limit any impact of COVID-19 on its business; statements regarding exchange rate fluctuations, changing crude oil prices, volume growth, increases in market share, total shareholder return, executing our growth projects (including LCCP), oil and gas reserves, cost reductions, our climate change strategy and business performance outlook. Words such as "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "endeavour", "target", "forecast" and "project" and similar expressions are intended to identify such forward-looking statements, but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and there are risks that the predictions, forecasts, projections and other forward-looking statements will not be achieved. If one or more of these risks materialise, or should underlying assumptions prove incorrect, our actual results may differ materially from those anticipated. You should understand that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors and others are discussed more fully in our most recent annual report on Form 20-F filed on 24 August 2020 and in other filings with the United States Securities and Exchange Commission. The list of factors discussed therein is not exhaustive; when relying on forward-looking statements to make investment decisions, you should carefully consider both these factors and other uncertainties and events. Forward-looking statements apply only as of the date on which they are made, and we do not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

**Comprehensive additional information is available on our website: [www.sasol.com](http://www.sasol.com)**

# Transaction overview | Key terms



## Transaction scope

**50% LCCP Base  
Chemicals<sup>1</sup>**

Performance Chemicals retained

## Partner

**LyondellBasell<sup>2</sup>**

A leading global producer of plastics,  
chemicals and refined products

## Timing

**end CY20**

Subject to conditions precedent

## Strategic rationale

**Accelerating  
Future Sasol**

Rapid shift to specialty chemicals

## Cash Value to Sasol

**~US\$2bn**

Meaningful deleveraging

## Value creation

**Integrated value  
chain & upside**

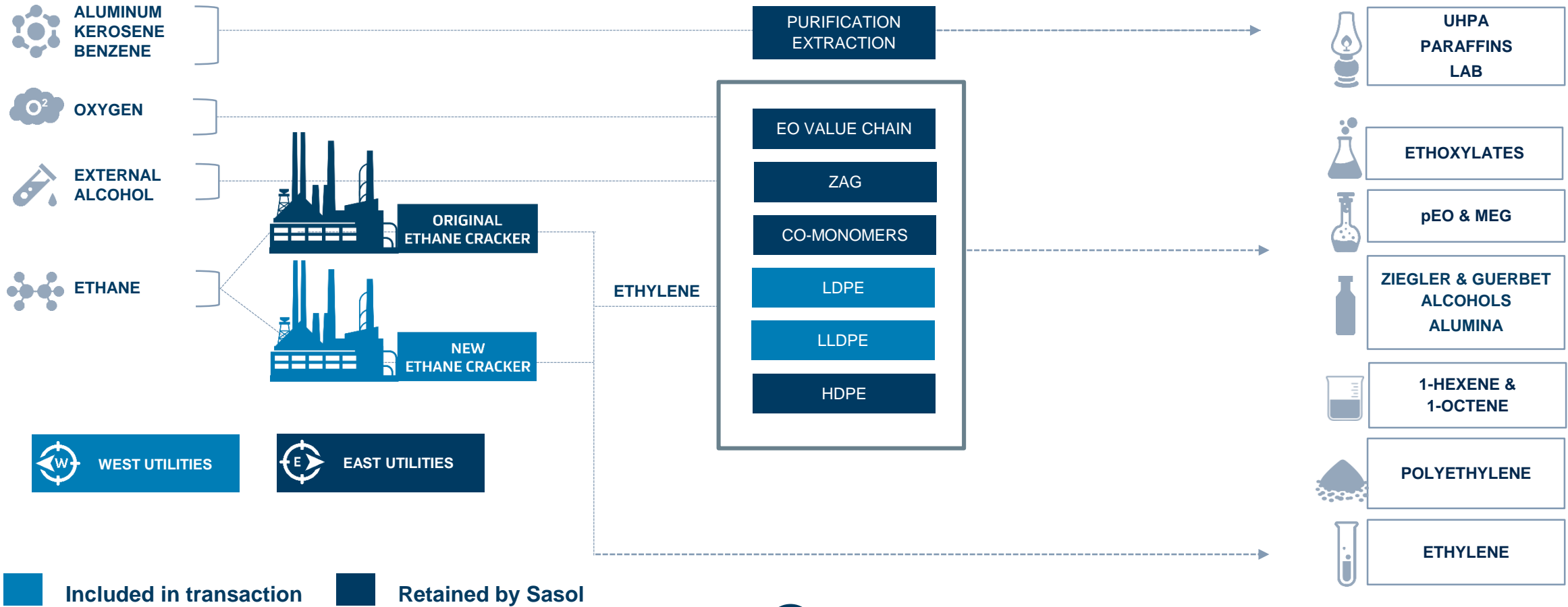
Protecting value of LCCP investment



Significant step in achieving our strategic and financial objectives

1. Sasol's Base Chemicals business at the Lake Charles Chemicals Project, based at Sasol's Lake Charles site in Louisiana, US – further detail below and in associated SENS announcement
2. LyondellBasell Industries N.V.

# Transaction overview | Scope



▼

Accelerate and increase strategic focus on specialty chemicals

# Transaction overview | Operational impact



- LyondellBasell to operate the 50/50 JV<sup>1</sup>
  - Leverage global best practices
  - Employees dedicated to JV<sup>1</sup> assets, to transfer upon completion of transaction
- JV<sup>1</sup> will be toll manufacturing arrangement
  - Pro-rata ethane feedstock supplied to JV<sup>1</sup>
- Access retained to Sasol's share of low cost onsite ethylene
- Sasol retains vacant land on Lake Charles Chemicals Complex

Ethylene  
LCCP cracker<sup>2</sup>  
**1,5mt**  
gross production

Ethylene  
Existing cracker  
**Full**  
**ownership**

Polyethylene<sup>2,3</sup>  
**0,9mt**  
gross production

1. Louisiana Integrated Polyethylene JV, LLC (LIP)
2. Sasol will have 50% of JV volumes from the time at which the Disposal has been completed and the joint venture has been formed.
3. Includes Low Density Polyethylene and Linear Low Density Polyethylene.

## Key conditions precedent



**Sasol shareholders** approval



**Anti-trust** approval and other **third party** consents



Consents required from key **technology licence providers**



Circular containing full details distributed

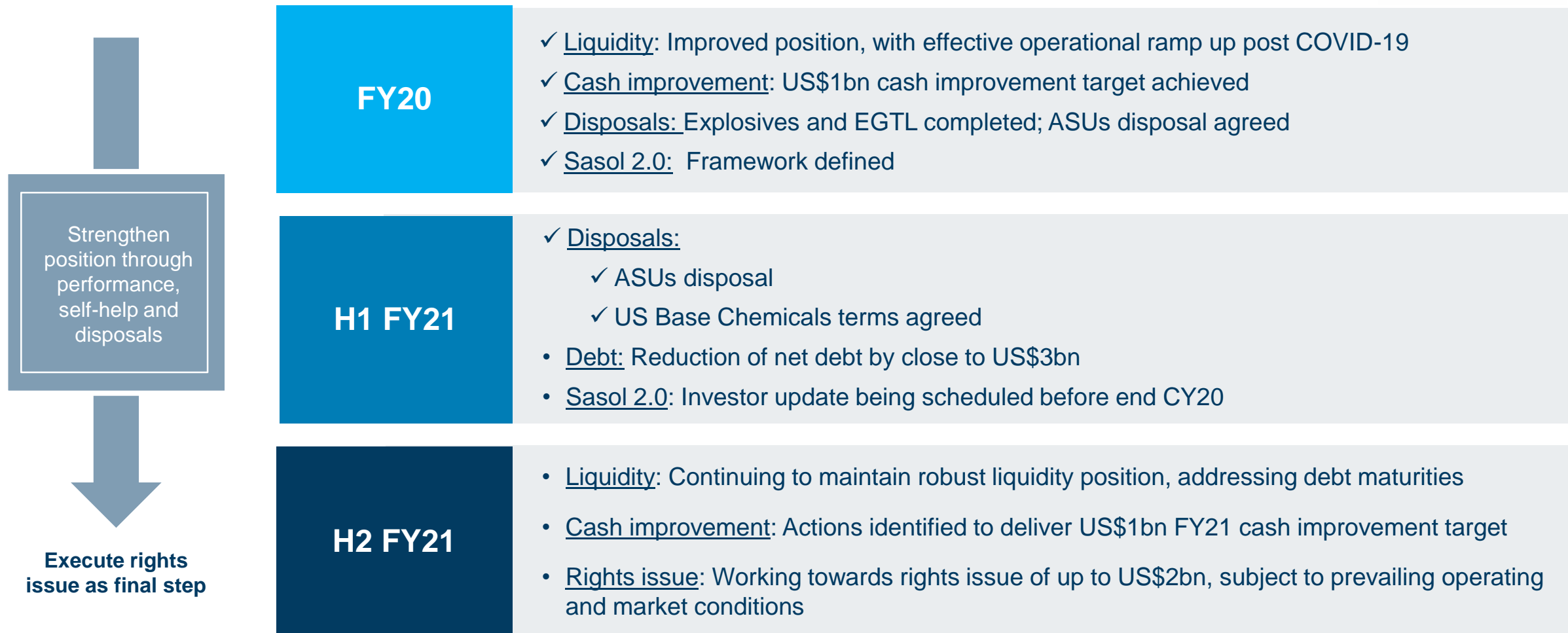
**Mid-October**



Shareholder approval at Annual General Meeting

**20 November**

# Deleveraging pathway



Transaction represents a meaningful step in our deleveraging pathway



# Abbreviations



<b>ASU</b>	air separation unit
<b>BC</b>	Base Chemicals
<b>bn</b>	billion
<b>CY</b>	calendar year
<b>EGTL</b>	Escravos gas to liquids
<b>EO/EG</b>	ethylene oxide/ethylene glycol
<b>FY</b>	financial year
<b>H1</b>	1 <sup>st</sup> half
<b>H2</b>	2 <sup>nd</sup> half
<b>HDPE</b>	high density polyethylene
<b>JV</b>	joint venture

<b>LAB</b>	linear alkyl benzene
<b>LCCP</b>	Lake Charles Chemicals Project
<b>LDPE</b>	low density polyethylene
<b>LLDPE</b>	linear low density polyethylene
<b>m</b>	million
<b>MEG</b>	mono-ethylene glycol
<b>PC</b>	Performance Chemicals
<b>PEO</b>	purity ethylene oxide
<b>Q</b>	quarter
<b>UHPA</b>	ultra high purity alumina
<b>ZAG</b>	Ziegler alcohols, Alumina and Guerbet alcohols



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