

1. Sasol chemicals and industries, Sasol Oil and Sasol Gas have all been implicated in anti-competitive practices across a number of investigations. Considering that only Sasol Mining, Sasol Technology and Sasol Financing have been spared from these investigations it appears to suggest that there is a culture of anti-competitive conduct in Sasol, please respond?

Information: Sasol's businesses comprise (just the main businesses):

Sasol Mining
Sasol Synfuels
Sasol Oil
Sasol Gas
Sasol Petroleum International
Sasol Synfuels International
Sasol Polymers
Sasol Solvents
Sasol Olefins and Surfactants
Sasol Nitro
Sasol Wax
Sasol Infrachem
Merisol
Sasol Technology
Sasol Financing

No, we do not believe there is a culture of non-compliance at Sasol. There may be pockets within the organisation, where both internal policies and the law have been knowingly contravened and this is completely unacceptable. The pro-active internal competition law compliance review, initiated by Sasol management as part of the ongoing intensification of our legal compliance processes in July 2008 with the assistance of a number of external law firms, revealed many of these concerns. The review revealed concerns regarding practises that were in place several years ago. We have been engaging with the commission on the issues and we are determined to continue with this review to force any contraventions to the surface so they can be acted upon.

We should recognise there are a range of potential contraventions. On one end of the scale, there are cases where people deliberately contravened the law and engaged in activities that were clearly illegal. We saw this in the European Commission's investigation and ruling last year into the wax industry. On the other end of the scale are contraventions stemming from the increasingly complex business and regulatory environment requiring technical legal judgment to be applied.

The nature of the deliberate contraventions is that the perpetrators are secretive. They plan their illegal activities to ensure no evidence is left behind and no or a limited paper-trail exists to implicate them. In such instances, the first indication of wrongdoing is often only brought to light by co-conspirators, who turn on their partners and blow the whistle on their activities.

Sasol has, over the past few years, been going through a major cultural shift within the organisation. We have been on a journey to move this company to a much more value-driven organisation, where our values and our Code of Ethics, direct all our business activities. The vast majority of Sasol people are compliant in their business activities, are honest and hard working people. It is deeply disappointing to find that there are still pockets where people appear not to have fully embraced that culture shift but that cannot stop us pushing through the process to force real change. Whether the concerns we find are technical, inadvertent or intentional, they must be found out, so we can go back to our shareholders, our employees and our customers with the message of full compliance.

2. To what extent does Sasol's senior management take responsibility for these anti-competitive practices that have occurred under its watch?

As leaders of the company, the chief executive and management team accept full responsibility for these matters. The very nature of the intentional contraventions is that they are kept secret and actions are taken to ensure evidence is concealed or completely avoided. While the management team did not have knowledge of the contraventions, the chief executive and leadership team have assured Sasol employees, our shareholders, our customers and the public that non-compliance will not be tolerated and that the team will root out any impropriety. Sasol management will not shy from this responsibility and will keep at these reviews. Where problems

are identified, they will be tackled and resolved, to ensure Sasol's future is one of compliance. In the process of the compliance review we have learned valuable lessons in detecting high risk areas of potential non-compliance which will help us in our efforts to monitor compliance.

3. Please kindly indicate if there will be any resignations from senior management following the uncovering of serious and widespread anti-competitive practices at Sasol?

The non-compliant actions are simply not acceptable. Of the 34 000 Sasol employees, a handful of people, engaged in actions that have no place in this company. Many of the people who were involved in the actions are no longer in the company and have not been for many years. The matters relating to Sasol Nitro are complex and, while internal processes have already been initiated to determine what actions may be required, it is important to ensure that any actions are taken with a full understanding of the complete picture and in compliance with labour laws. We are taking this matter very seriously and due process will be followed and as these matters are complex a careful evaluation of evidence is necessary. Due process will be followed. As noted by the chief executive in January this year, Sasol will review the full spectrum of matters to make informed decisions relating to possible actions against staff but we will not hesitate to take appropriate internal.

4. Has there been any pressure from Sasol's shareholders to hold the senior management to account?

It is a matter of public record that some of our shareholder raised their concerns on this matter at our last AGM. In January this year Sasol's management accepted accountability for the past actions of some employees and the current management team are fully determined to deal with these issues from the past to secure a future of full compliance for Sasol.

5. Two of the investigations that involved Sasol Nitro, namely the Profert case and the Nutri Flo case were referred to the Competition Tribunal in 2006 and 2005 respectively, why did it take Sasol until mid 2008 to investigate these businesses, surely an investigation should have been launched as soon as Sasol was aware that the Commission was investigating?

Based on an assessment of the facts of what had occurred within the Nitro business, regarding both these cases at the time in 2004, as well as external legal opinion, Sasol was, at the time, confident that the behaviour did not constitute a contravention.

The intensive new group-wide review, initiated in 2008 however, uncovered new information which in December 2008 was duly reported to the Competition Commission and changed our view of the original assessment. Had this information been uncovered in 2004 we would obviously have dealt with it immediately.

6. Was Sasol just playing a legal strategy or was the lack of an investigation just complacency on behalf of the Sasol senior management?

This was not a legal strategy. The investigation at the time did not reveal the true facts. As soon as the current review revealed facts of clear and illegal behaviour, we acted promptly, in reporting the new information.

7. Why has Sasol not settled the abuse of dominance and price discrimination charges in the Nutri-Flo and Foskor cases?

The settlement discussion with the Competition Commission initially included discussions about settling the abuse of dominance matters raised in the Nutri-Flow and Profert matters. However, it became clear that would be better to separate the matters. Sasol will continue to cooperate with the Competition Commission in its investigation of these claims.

8. The M&G understands that Sasol has made multiple leniency applications on behalf of Sasol Oil and Sasol Gas for the anti-competitive practices uncovered during the compliance review and these practices were current at the time of the leniency application. How can these practices take place without being picked up by senior management?

As announced by Sasol in January this year, conditional corporate leniency had been granted to Sasol by the Commission, in the matters relating to Sasol Gas. At the time we provided some background as to the nature of the two leniency applications in

respect of Sasol Gas. In the matter of Sasol Oil, the company announced that leniency applications had been submitted, for possible contraventions of the South African Competition Act. We are unfortunately not yet in a position to provide more information about the Sasol Oil leniency applications.

It is important to note that all the matters that are the subject of current leniency applications have been the result of pro-active steps taken by management to uncover potential areas of non-compliance. These matters were not easy to detect and required the efforts of several teams of external lawyers and in some instances protracted forensic investigations

Again, it is worth noting the range of potential contraventions. On one end of the scale there could be deliberate and intentionally illegal behaviour, such as the Wax GmbH case. On the opposite end of the scale would be the highly technical and complex matters such as in the Sasol Gas matter where even legal advice, gained at the time, failed to identify structures and provisions within agreements that were non-compliant.

Sasol has intensified its competition law compliance programmes in recent years, including personal training, online education and refresher courses. To date more than 4000 employees on management level have completed new on-line competition law compliance training. The intensification of our compliance programme, over recent years, has been particularly necessary given the increasing complexity of both the business and legislative environments in which we operate. Training is one aspect to the process but it still comes down to people. While we have always had compliance programmes in place, they do not erect an absolute barrier against behaviour that may be contrary to our policies or applicable laws or regulations

The Sasol Code of Ethics is clear and detailed but we have to rely on our people to adapt to our values-driven environment and to operate within a heightened awareness to the complex regulatory framework within which we operate.

9. Will Sasol fire any employees who are responsible for the perpetuation of these practices and have any Sasol employees been fired for their part in any of the anti-competitive practices discovered across all divisions of the company?

As noted above, internal processes have been initiated and we will not hesitate to take appropriate action once all the relevant evidence is available.

10. In the Competition Board's investigation report into the proposed merger between Sasol and AECl from 1998, the board raises a number of red flags about the merger which it ultimately denied. Of particular interest to the M&G is the following paragraph no 133 from page 23.

"A disconcerting fact uncovered during the course of the investigation is that Sasol and Kynoch, a subsidiary of AECl, are apparently colluding on the fixing of ammonia prices from their respective factories. In fact, documents in the Board's possession seem to indicate a contravention of Government Notice 801 of 2 May 1986."

"It would evince a lack of corporate morality, disdain for the law of the land, and a dismissive attitude towards the Board's investigation."

It seems that a red flag about collusion was raised as early as September 1998 by the competition authorities. According to the referral affidavit Sasol and AECl concluded their structural agreement that led to the Profert and Nutri Flo cases in May 1999. A mere eight months after the denied merger. On the face of it, it appears that after the merger was denied Sasol entered into collusive relationships with the proposed merging party. Also after the red flag was raised by the competition board in 1998 and by the competition commission's investigations referred in 2005 and 2006, it took Sasol until mid 2008 to launch an investigation, ten years after the first red flag. How can this be acceptable?

After the investigation Sasol discovered cartel activity that had been taking place between 1996 and 2004, when the competition board flagged this in 1998. This appears to be a complete failure of corporate governance responsibilities by Sasol's senior management and board. Please respond?

After interaction with the Competition Board in 1998 and 1999 it became clear that the evidence that was referred to in the Competition Board report was an internal letter distributed by Kynoch to AECl subsidiaries in which reference was made to an

ammonia price that was agreed with Sasol. Sasol was a supplier to Kynoch and the letter simply referred to the price at which Sasol supplied ammonia to Kynoch. The Competition Board decided not to pursue the matter in 1999 after interaction with Sasol and made an announcement to that effect.

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