

Energy Efficiency Performance

SA Operations

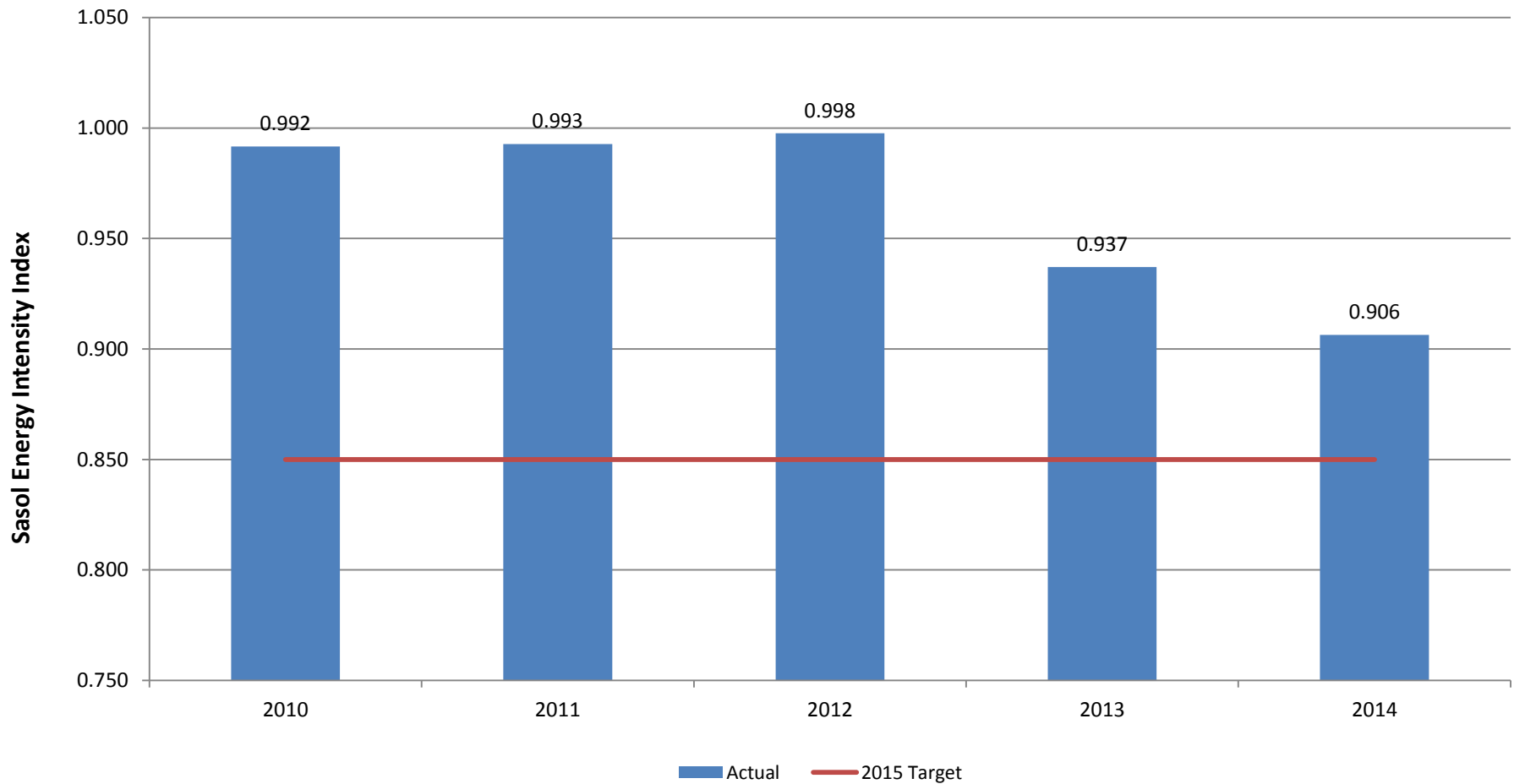
FY 2014



SASOL
reaching new frontiers

A NEW ERA for Sasol

Sasol Energy Efficiency Accord Measurement



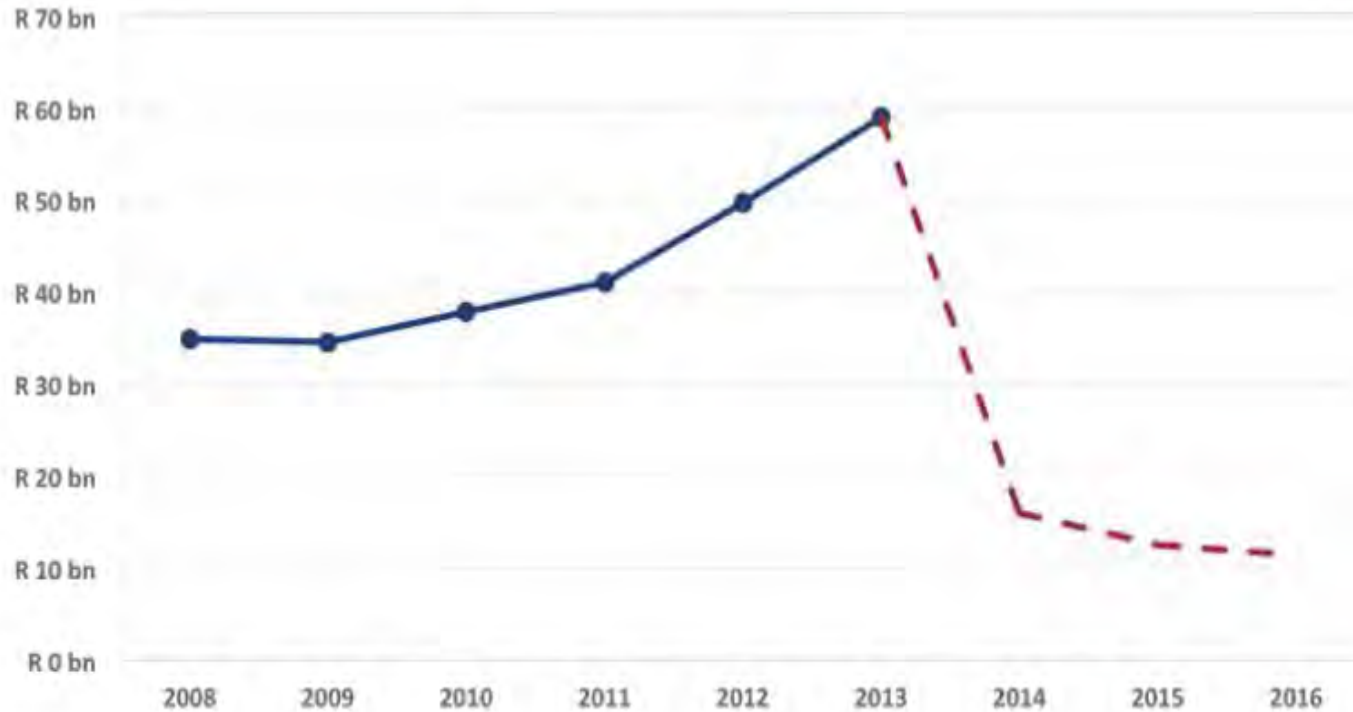
Considering implications of Energy Efficiency targets



1. Impact of compulsory EE targets on the SA economy should be considered to avoid driving unintended behaviors with regards to increased imports and restricted growth.
2. Pure benchmarking per product group is insufficient as the type of technologies, level of vertical integration & available country resources should be considered.
3. Extreme care should be taken to keep Energy data confidential.
4. Companies that made a significant improvement to meet the voluntary 2015 target of a 15% reduction in utility energy intensity should receive a reduced portion of the national targets for 2030.

EIUG CAPEX

Figure 3 - The total investment amount expenditure of the 14 respondents for years 2008 – 2016 is displayed below.



Investment expenditure is expected to reduce by 173% from 2013 to 2014. The decrease in capital expenditure can be attributed to:

1. Firms not having recovered to full production;
2. An expected lack of future demand;
3. The decision to invest depends on the marginal cost of production being greater than the marginal revenue. Such an assessment involves a

4. comparison of the current price for the product to the anticipated capital and operating costs associated with production. A large increase in a substantial cost item, such as electricity, will raise the expected operating costs of any potential new investment and is likely to be a deciding factor in whether investment takes place or not; and
4. Competitor countries offer cheaper energy, lower tax rates, a more skilled labour pool and less risk in terms of certainty.