



sasol nitro achieved robust ammonia and fertiliser turnover, and bolstered profit through value-chain optimisation

Our 60:40 joint venture with Dyno Nobel, Ensign-Bickford (South Africa), performed satisfactorily by maintaining steady turnover of its explosive accessories under adverse market conditions.

Our advanced electronic detonators business, Sasol Mining Initiators and its unique Uni Tronic™ detonation system, is gaining recognition in international markets where customers need high-performing electronic detonators for specialised blasting applications near highly populous and other environmentally sensitive areas.

Other chemical businesses

Sasol Infrachem

- *The project to convert to natural gas is on schedule.*
- *Sasolburg operations to substantially reduce atmospheric emissions.*

Sasol Infrachem prepares for new era

Sasol Infrachem increased turnover by 11% from R1 865 million to R2 075 million as a result of higher syngas prices and the expansion of its utility and maintenance service contracts.

Syngas production was limited to 54 million gigajoules (GJ) as a result of scheduled plant shutdowns and was 3% lower than the previous year's 55.2 million GJ, when no shutdown occurred, although 2% higher than that of the previous shutdown year (financial 2000).

The project to convert Sasol Infrachem from coal gasification to natural gas reforming is

progressing to schedule. Once the autothermal gas reformers become operational during the second quarter of 2004, Sasol Infrachem will decommission its coal gasifiers and sections of the Phenosolvan and Rectisol facilities. The commissioning of the new reformers will enable Sasol Infrachem to increase syngas production in line with the longer-term growth objectives of the other Sasolburg-based operations that require this feedstock for beneficiation.

After converting to natural gas reforming, the Sasolburg operations will eliminate hydrogen sulphide emissions and substantially reduce emissions of particulates, nitrous oxides, sulphur dioxide and carbon dioxide. Raw water consumption will also be reduced by about 20%.

Merisol

Merisol restrained by higher feedstock costs

Merisol's international sales of phenolics and associated products were 7% lower in rand terms, dropping from R1 315 million to R1 229 million. In dollar terms, however, they were up marginally, increasing by 5% from US\$130 million to US\$136 million. The company's performance was negatively affected by high energy and feedstock costs, as well as plant shutdowns for maintenance and process improvements at the Houston and Winnie sites in Texas, USA.

The Winnie meta/para-cresol separation unit was debottlenecked to increase capacity by 10%. Growth in demand for meta-cresol was strong. In response to higher demand, the

Oil City monobutyl meta-cresol plant was converted to produce additional volumes of meta-cresol.

The stronger rand impacted on the South African results, but plant availability at Sasolburg was maintained at a record 99% and yields improved further. Merisol's Sumika RSA joint venture with Sumitomo at Sasolburg completed its first full financial year by producing high-quality ortho-cresol novalac on specification and to planned production rate.

Merisol is about to commence a US\$40 million (R384 million) project to expand and improve feedstock recovery and processing operations. This investment will include a new Sasolburg plant to refine additional volumes of Secunda crude tar acids to compensate for the loss of Sasolburg feedstock once Sasol Infrachem converts to natural gas. The Houston operations will be upgraded to optimise production capabilities. The project will be completed in the first half of 2005.

African Amines

Leaner margins hamper African Amines

African Amines achieved targeted sales volumes, but a substantially lower operating profit. Margins on export turnover (35% of volumes) were constrained by the rand's appreciation. Ongoing efforts are progressing to lower operating costs and improve margins, while maintaining desired levels of product quality and customer service.