

## *sasol new energy*

South Africa has abundant direct sunshine and so we believe that concentrated solar power has good potential in this country. We are evaluating various options in this regard, including further development of this promising technology.

Sasol is also investigating the possibility of producing energy from biomass, including biofuels, in Southern Africa. However, we would pursue biofuel production only where sustainability criteria, such as sufficient water and arable land which does not compete with food production, can be met. We are also considering the cultivation of biomass as a carbon sink to offset greenhouse gas emissions.

### **Pursuing carbon capture and storage**

In 2010, Sasol New Energy made an important commitment to the group's efforts to develop CCS solutions. We will therefore acquire, during the first quarter of the 2011 financial year, a share in Technology Centre Mongstad (TCM), which is being established in Norway to test, verify and demonstrate technology suitable for deployment at large-scale carbon capture facilities. Sasol is also investigating opportunities for CCS around its existing and potential future coal-to-liquids facilities. The group is a founder

member of the South African Centre for CCS, which is developing an atlas of potential CCS sites in this country.

During the year, we also progressed our understanding of deep underground coal gasification, which is potentially the first step in clean coal technology. We believe that the gasification of coal in-situ, rather than mining and transporting it to a coal gasification plant above ground, could allow for the development of coal reserves that could otherwise not be mined. It could also, potentially, reduce the cost of producing synthesis gas and lead to fewer above-ground pollutants and lower CO<sub>2</sub> emissions.

### **Working towards a sustainable water solution**

Water is central to Sasol's business. The group operates facilities or is planning projects in several parts of the world where water is scarce. In the year, Sasol New Energy took responsibility for the group's sustainable water strategy, which is based on the commitments made by Sasol in March 2008 under the UN Global Compact CEO Water Mandate. For more details, please see the Sasol sustainable development report on [www.sasolsdr.com](http://www.sasolsdr.com).