

MOZAMBIQUE

A nation growing with its people at heart

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President of Mozambique Armando Emilio Guebuza assumed power in 2004 when Joaquim Chissano stepped down after 18 years in office that had seen major transformations in the country, including the introduction of multiparty elections and the implementation of solid macroeconomic reforms.

President Guebuza pledged to continue with the sound economic policies of his successor that had placed Mozambique on the map of global investment destinations. A highlight of his first term was the return of the Cahora Bassa dam to Mozambican hands when the government purchased the majority of Portugal's shares in the hydroelectric facility. Touted as a second independence for the country, the significance of the purchase was far reaching, and national economic indicators have climbed steadily since then.

Indeed, Mozambique has grown at an average of 9% throughout the past decade, one of Africa's stronger performers. As new energy supply comes on line and as infrastructure projects such as road works continue, development in rural communities will benefit and the country can support increasing numbers of new investment projects. This will come not a moment too soon. Despite the



President of Mozambique Armando Emilio Guebuza (left) and Prime Minister Aires Ali (right) continue in the footsteps of former President Joaquim Chissano to empower the people. They have made tremendous progress in energy and infrastructure, two aspects which are to prove key in the fight against poverty

progress made in the country, Mozambique is still dependent upon foreign assistance for more than half of its budget, and the majority of the population remains below the poverty line.

President Guebuza says the former government directed all of its energy into fighting

poverty while stressing local empowerment through efforts to open a continuous dialogue with Mozambicans. Decentralization was a logical step in this process. However, says the President, "Theoretical power is of no use without financial and material resources. So while decentralization was

being carried out, these resources were provided, and we have witnessed a progress in the standard of living. Every person in this country is struggling hard to have a better life, aware that this means effort on their part as well. What our government plans to do is continue with those investments already made, while speeding up the fight against poverty, and speeding up the decentralization process."

A key pillar in speeding up these processes for Guebuza's government is investment in education and infrastructure. Prime Minister Aires Bonifacio Baptista Ali says that his administration has made tremendous strides in education over the past three years, doubling the number of students in the country from three to six million, and training 10,000 new teachers per year at four new teacher training centers.

Education is a special subject for the prime minister, who was formerly Mozam-

bique's minister of education until his appointment as prime minister in January of this year. He feels that infrastructure and education are closely related in Mozambique as he noted in a recent interview with the BBC.

"Currently children cannot go to school because of lack of roads in many parts of the country," he said. "Farmers may grow their food but then can't sell the produce because there are no access roads. We are the weakest link in the entire region because of lack of infrastructure. This problem is strangling Mozambique."

Prime Minister Ali says another way forward in the fight against poverty is to support the country's farmers. The agriculture sector still employs the majority of Mozambicans, and "we need to fight poverty where the majority of the population is," he comments. "If we can help drive the agriculture sector, this will happen more easily. Once agriculture is devel-

oped, and production is increased, we can go one step further to drive development in industry and agro-processing. Agriculture can generate small and mid-sized companies."

Former president Joaquim Chissano says that the U.S. strengthened relations with his country throughout the 1980s and began extending humanitarian help to the fledgling republic. Today relations are full, and cooperation between the countries is broad-based, covering a range of fields including security and defense.

A UNITED WORLD SUPPLEMENT PRODUCED BY:

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This report is available at www.unitedworld-usa.com

MOZA BANCO

Bank "Made in Mozambique"

Moza Banco is creating strong brand awareness at home, and is being very well received

Young and Mozambican are probably the two qualities that first stand out about Moza Banco. Young, because Moza Banco turns two this year, and Mozambican, because its majority shareholder is local private enterprise Moçambique Capitais, led by Prakash Ratilal.

These factors are proving quite beneficial. Being Mozambican sets the bank apart from other banks, who have mainly Portuguese and South African shareholders, meaning that decisions are made remotely. At Moza Banco, on the contrary, everything is done locally by local people, thus earning the stamp "Made in Mozambique" from the Ministry of Industry and Commerce. Mozambicans are also likely to trust a native son.

Likewise, the bank's youth is no setback; rather, it translates into fresh vision and the energy to



INAETE MERALI, CEO of Moza Banco

move forward. After just eight months of operations, Moza Banco broke even; by 2009 it posted profits. The bank is already expanding; in mid-2010, it opened Nampula and Nacala, two important cities where massive growth is underway, thanks

to natural resources, agriculture, and a large deep water port.

Over its short history, Moza Banco has proven itself a reliable partner for Mozambique, more than capable of working with its clients individually to better understand their needs and create bespoke financial products. "For us, with the structure and management we have, we are able to turn around to the customers' needs quite rapidly," explains Inaete Merali, CEO. "I think that is the secret to our success: understanding the clients, their needs and then creating value for them."

Although it offers universal banking products and services, Moza Banco has carved out a special place for itself in the Mozambican financial sector with three niche markets: corporate, private, and investment banking.

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The pride of Mozambique

The Cahora Bassa Dam System is the largest hydroelectric scheme in southern Africa. The Cahora Bassa Lake is Africa's third largest artificial lake and it can generate 2,075 megawatts of power, not far short of the 2,100 megawatts of the Aswan Dam in Egypt. Nevertheless, the dam has the potential to generate 3,200 megawatts, a goal towards which HCB is working.

The Cahora Bassa HVDC transmission provides an important power import facility to the southern African grid. It supplies energy to not only Mozambique, but also South Africa and Zimbabwe. HCB sells 74% of its installed capacity generation to the South Africa African Electricity Company ESKOM, 22% to Mozambique's own electricity distribution company EDM, 4% to Zimbabwe.

HIDROELÉCTRICA DE CAHORA BASSA
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CMC AFRICA AUSTRAL

Expanding regionally through southern Africa's gateway

Mozambique's largest infrastructure contractor, CMC Africa Austral has over 30 years of experience in the country. Focused primarily on road construction, CMC Africa Austral has used its base in Mozambique to expand throughout the region. Today, they have infrastructure projects in South Africa and Angola, and have also carried out projects in Malawi and Zambia

Part and parcel of CMC Africa Austral's success in Mozambique has been the government's willingness to form public-private partnerships in order to boost the country's infrastructure development, a key element in Mozambique's overall development as it creates a more fertile environment for local and foreign companies alike and contributes to greater growth for the country's ports.

In this sense, Mozambique's domestic infrastructure is equally as important for regional counterparts such as Botswana, Zambia, Malawi, Mali, and even southern parts of Angola as it is for Mozambique itself. Consequently, the government has offered a number of incentives to attract infrastructure developers such as CMC, which has, in turn, contributed significantly to Mozambique's development over the past three decades.

Originally formed as a co-operative of the Italian government, CMC began operating in Mozambique in 1982, when it began construction on the Pequenos Libombos Dam, which now supplies drinking water for the city of Maputo. CMC founded CMC Africa Austral in 2000, transferring all of its business areas and equipment to the new Mozambique-based subsidiary. Currently the country's largest civil contractor with more than 3,000 employees and a yearly turnover of more than 100 million euros, CMC Africa Austral is also active in the production and sale of con-



CMC Africa Austral's \$36 million sewage system plant, opened in 2007, is benefiting 290,000 inhabitants of Beira



CLAUDIO CONFICONI, Chairman of CMC Africa Austral

struction materials such as wood, concrete, and stone products.

"Mozambique is truly the entrance to the region," says Claudio Conficoni, chairman of CMC Africa Austral. Mr. Conficoni, who has been with the company since its establishment in Mozambique, says he has witnessed many changes over the past 30 years not only in Mozambique but also in neighboring South Africa. "Here in Mozambique the civil war period transformed the shape of the country; in South Africa, there was the apartheid and the post-apartheid era. There have been huge transformations for both countries."

These positive developments have opened doors for many companies, he says, emphasizing that Mozambique offers

"abundant opportunities." Its political and economic stability, along with its ability to host small, medium and large-scale projects, has transformed it into a "very interesting" destination from a business standpoint, says Mr. Conficoni.

"Mozambique is open to any company willing to come here and invest," he observes. "This can be proved just by looking at the diverse pool of international companies now operating here. We currently have companies from China, South Africa, India, Europe, America, Brazil, and so on."

Looking forward, CMC Africa Austral hopes to expand on its civil construction business, which in addition to road works also includes large-scale sanitation and water supply projects, into energy-related projects such as pipeline construction. The company is also looking to broaden its expansion into new emerging economies in the region.

GAZEDA

Growing better business

Gazeda promotes the Nacala and Beluluane free zones

Created in 2007 to oversee Mozambique's two free trade zones (FTZ), Gazeda is a one-stop shop for companies looking to move into the country's FTZs. Since its creation, the agency has approved projects totaling more than \$250 million, which will eventually create 6,000 new jobs for the country.

Aiming to stimulate inward FDI flows while improving Mozam-

bique's business friendliness, Gazeda has spent the last few years promoting the FTZ incentives. General director Danilo Nalá comments, "The business climate in Mozambique continues to improve every day. The time it takes to open a company, the ability to import and export capital and to import equipment, for example, all these aspects have been improved."



DANILO NALÁ, General Director of Gazeda

BCI

BCI enters new territory

Sporting a new brand image and even newer financial backing from international financial organisms, BCI's commitment to Mozambique's economic development is as strong as ever

Established in 1996 by Mozambican investors, BCI is a universal bank involved in private, corporate, and retail banking. Today, it is considered the most trustworthy bank and has grown to become the country's second largest commercial bank. BCI is continuing an expansion strategy to reach ever further into the population.



DR. IBRAIMO IBRAIMO, CEO of BCI

plans to have at least seven of these centers up and running.

What sets BCI apart is the value proposition it offers for each of the main market segments. Apart from the Corporate Centers and the Private Center in Maputo, BCI also extends services for affluent clients (through BCI Exclusivo) and for SMEs (BCI Negocios).

BCI is not only concentrating on urban areas, however; it is in fact a pioneer in accessing financially underserved areas.

"We are proud to be the first bank to accept the challenge of the Central Bank of Mozam-

bique to open branches in rural areas which had no access to banking institutions in the past," explains the bank's CEO Dr. Ibraimo Ibraimo. "We started in 2008 an ambitious branch expansion which will continue over the coming years in a balanced way between rural and urban areas."

"Mozambique's financial sector needs to become the pillar of the economic development of the country," claims Dr. Ibraimo. "BCI has accepted this challenge as its own and contributes to making it a reality."

"It is of utmost importance for Mozambique to facilitate the access to a bank account for a large majority of the population in order to formalize the economy, more so to the SMEs. This will obviously generate more wealth and more jobs."

MOTA-ENGI

Paving and bridging the nation

For Portuguese company Mota-Engil, Mozambique provides an excellent canvas on which it can carry out infrastructure projects that will spur national development

With a long trajectory in Mozambique, Portuguese construction company Mota-Engil is looking to embark on a 'new cycle', aiming to capture some of the country's new growth while expanding its business into other areas and sectors.

Mota-Engil first arrived in Mozambique 16 years ago, when it became actively involved in the country's infrastructure development. It completed new road infrastructure in the northern provinces of Niassa and Cabo Delgado in 1996, which led to other contracts in the southern and eventually the central provinces of the country. Later, Mota-Engil went on to build the Emilio Guebuza Bridge in Sofala province, connecting the central and northern regions of the country.



Mota-Engil has been responsible for some of the country's major road projects



JOSE ZILHÃO, General Director of Mota-Engil

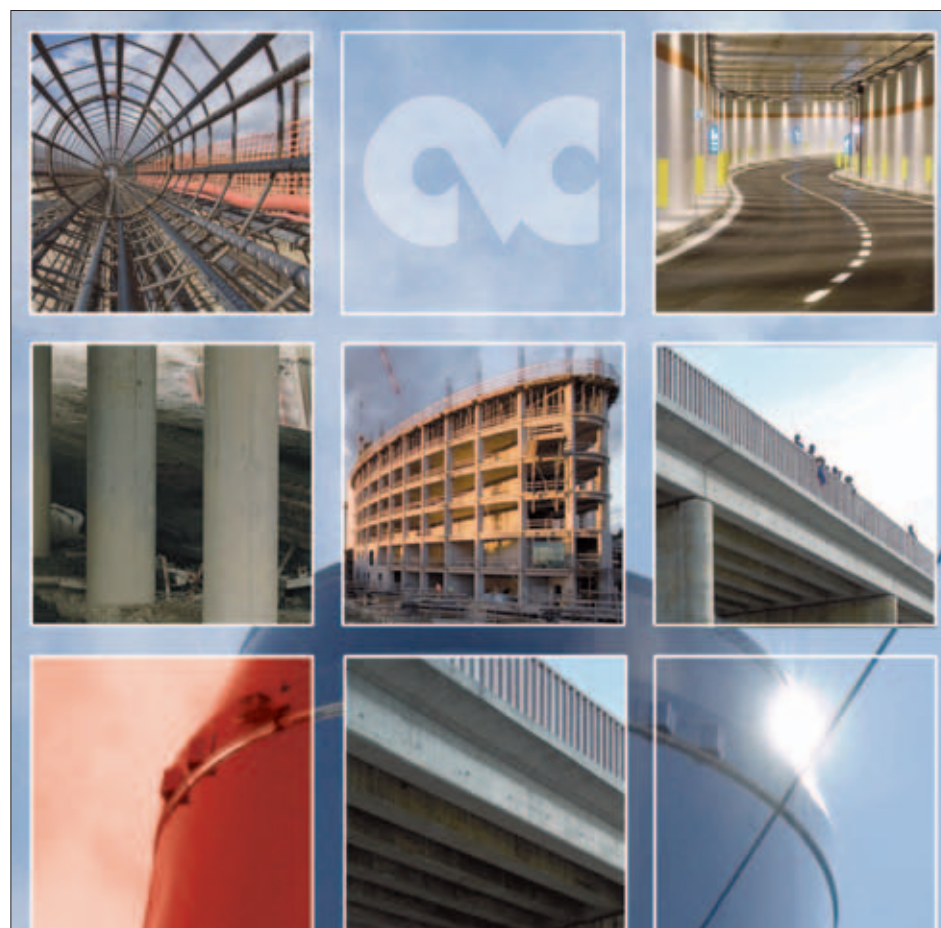
Among Mota-Engil's current projects are paving 60 kilometers of the National 1 highway and a further 50 kilometers of road in Massinga, and other road works are in the cards. Mota-Engil will shortly begin work on two other highways, Zambezia and Milange-Mocuba, and is looking to construct 200 kilometers of new road in Manica.

Also, this summer the company began construction on a \$132 million bridge crossing the Zambezi River in the province of Tete, for which the company will have a 30-year concession. Mota-Engil currently estimates its total portfolio in Mozambique's infrastructure sector at more than 400 million euros.

Still, some of the company's largest projects are yet to come, according to general director José Zilhão, who says Mota-Engil is eyeing new opportunities. "Mota-Engil considers Mozambique a strategic market,


and will continue to invest heavily in it," he comments, adding that the company has bid on 700 kilometers of highway that will connect the country to Zimbabwe, Zambia, and Malawi, facilitating those countries' access to Mozambique's ports. Mota-Engil has also been asked by the government to build 1,100 residential units for next year's Pan-African games.

"At this point, we are analyzing projects in various sectors," concludes Mr. Zilhão. "We are also looking at mineral resources and the construction of small hydroelectric dams, and are working with various government agencies to determine in which provinces these projects will contribute the most."



CMC Africa Austral Lda, a subsidiary of century-old Italian building company CMC, is Mozambique's largest builder. In the early 80's, CMC began operations in Mozambique with the construction of the Pequenos Libombos Dam, for the water supply of Maputo. Today, the company celebrates a 30-year presence in the African country, where it boasts a total workforce of more than 3,000 people and a yearly turnover of approximately 100 million euros. CMC Africa Austral has built up the strength to expand into other South African countries, such as Swaziland, South Africa and Malawi, where it also actively takes part in their infrastructure and industrial development.

30 YEARS BUILDING MOZAMBIQUE



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MINISTER OF ENERGY

Energy is freedom

Nobody is more aware that energy is crucial to development than Mozambican Minister of Energy, Salvador Namburete, who has said that energy is "freedom"

This sentiment is an underlying pillar of the government's development efforts, and explains its intention to provide electricity coverage to each and every village in the nation.

"We have enormous amounts of resources in the energy sector that, with hard work and investment, can be used for the sustainable development of the country. We have the right conditions to produce energy not only for the local market but also to satisfy the needs of our neighboring countries," comments the minister.

The government has made significant strides in its rural electrification program, adding over 100,000 new rural connections to the grid in

the past five years, managing to surpass regional counterparts with regards to total rural coverage.

Other priorities for the government include expanding the country's range of renewable energy. Due to the strength and size of the Zambezi River, Mozambique's power is mainly hydroelectric, and the country would like to build on this clean energy base by expanding into solar and wind power and the production of bio-fuels. Solar panels have already been installed as part of the rural



SALVADOR NAMBURETE
Minister of Energy

electrification program, and the government is looking to begin local panel production.

Mozambique has also begun feasibility studies to identify suitable areas for wind power development along the country's 2,800

kilometers of coast. When completed, the projects will be open to public-private partnerships. Minister Namburete adds that the country has also partnered with the EU, the World Bank, and Brazil in several bio-fuel initiatives based on the use of locally grown jatropha.

CAHORA BASSA

More power for the people

The purchase of the Cahora Bassa Dam by the Mozambican government in 2007 signified a move towards harnessing its great hydroelectric potential for the benefit of the people

Cahora Bassa is the largest hydroelectric facility in Southern Africa (located in Tete Province, Cahora Bassa Lake is also one of Africa's largest artificial lakes). Construction on the dam began in 1969, but was soon curtailed by the civil war. For nearly 20 years, Cahora Bassa was subject to neglect and sabotage (indeed, after the war, 1,895 towers needed to be replaced and 2,311 refurbished), until 2007 when a French-Portuguese banking consortium financed the government's \$950 million purchase of the majority of Portugal's 82% stake.

Touted by President Guebuza as Mozambique's "second independence," for many the dam's refurbishment signified an authentic new start for the country, which could now meet the energy needs of its own people.

Indeed, Mozambique's economic indicators have risen steadily since Cahora Bassa's purchase. The dam has the potential to generate 14,000 MW of power, which is about seven times its current capacity. Nevertheless, the dam is connected to South Africa's grid, and is a significant source of power not only for South Africa, but also for Zimbabwe, Zambia and Botswana.

Hidroeléctrica de Cahora Bassa's (HCB) chairman of the board of directors Paulo Muxanga says that in addition to ongoing modernization, the company is also looking forward to contributing to power



PAULO MUXANGA,
Chairman of Cahora Bassa

supply for every village in the country. He comments, "Cahora Bassa's return to Mozambique was really an economic independence.

Development is not possible without energy, and since then, the government's plan for providing power throughout the country was stepped up. Energy is also important for the development of large companies, which in turn, work with the small and medium-sized companies. HCB really is a premium source of energy, unlike any other, and we are very proud that we can contribute to producing this clean energy."

INTERVIEW WITH EBBIE HAAN, Managing Director of Sasol Petroleum International (SPI)

Sasol – meeting demand while fueling progress

Ebbie Haan is a geology graduate of Utrecht State University in the Netherlands. He held a number of positions with Shell – from technical to managerial – on international upstream projects for 26 years before joining Sasol Petroleum International in 2008.

Sasol Mozambique is in the spotlight for both economic and social development in Mozambique. How has the natural gas business progressed in the region?

For a long time gas had no market, hence the term 'stranded gas'. Along with all significant stakeholder groups, the governments of Mozambique and South Africa created Sasol Mozambique as a private enterprise to see what we could do with this stranded resource.

However, in order to develop a resource, you first need a market. Putting in a pipeline that feeds into South Africa partly created the catalyst for that development.

As the market in Mozambique alone was not big enough to warrant developing the gas fields, the Mozambican government decided to export. South Africa proved to be a capable and attractive partner.

We agreed on the commercial terms to make gas available for export and have now established a continuously expanding gas infrastructure that feeds Sasol facilities as well as industrial uses in South Africa.

Mind you, some of the gas is also staying in Mozambique for domestic use and industrial development.

Once people get a flavor for gas, they use it because its environmental footprint is low and it is an effective fuel for many industries and businesses.

How would you describe Sasol's relationship with the government of Mozambique? And, in your opinion, what is the investment climate like?

We have a very good relationship with the Mozambican government and authorities. But I think that you should never be complacent in relationships.

I think the Mozambican government needs to be mindful of the fiscal terms they provide investors. We've had success but repeating that success in the face of economic uncertainty is another thing.

It always takes both parties to create a will to do business and that is exactly what we

How important is CSR to Sasol?

Corporate Social Responsibility is our first responsibility. 'Responsibility' covers more than only the investment aspects. Responsibility is when you are entrusted to develop a resource like this and you do a good technical job on all fronts.

On the corporate and social side, we are often working in areas where there is basically nothing, but these are areas of pristine beauty. When you build a long pipeline that weaves in between national parks, crosses the border, mountains, rivers and fields, you know it has an imprint.

And unfortunately the imprints of industrial development are always a reality. Through careful mapping and engagement we have minimized the negative impacts on the environment and social communities. We do this partly by enhancing the positive impact on communities.



Benefits from CSR initiatives have had a ripple effect on local communities, according to SPI's MD Ebbie Haan

What positive effects are being yielded by Sasol's megaproject?

When you build something big, it has the effect of being a nucleus. Since this is such a large project, the direct effect was local job creation – in the construction and ongoing operational phases. Also, there are villages close by that provide vegetables and foodstuffs for the canteen. When you throw a rock into water it produces ripples; this is what has happened.

The government of Mozambique gets a significant amount of revenue from Sasol's project. This helps to build a secure economic footing for the country and supports projects like the building of infrastructure like schools and hospitals.

Mozambique's perimeters secured

Kudumba Investments is implementing a unique, state-of-the-art security system that will make a highly positive impact

Mozambique's borders now benefit from unique state-of-the-art services provided by Kudumba Investments, an integrated border security company.

"Security is one aspect and in a sense a byproduct of Kudumba," says CEO Ghassan Ahmad, "but there is also the fiscal element with regards to revenue generation for the government of Mozambique in the form of tax collection. We also deal with mechanisms to reduce counterfeit currency."

Kudumba is able to cover all borders – whether they be land, air, sea or rail – by build-

ing upon the existing infrastructure and installing the equipment required. Although the company provides the equipment, operation, maintenance, and personnel training, it leaves the inspections in the hands of government entities as this lies in the realm of "sovereign work", according to Mr. Ahmad. "In a way, one could look at us as a tool. A tool does not talk, act or make decisions. It just has to be in good functioning condition," he explains.

What sets Kudumba's operations apart is their objectivity owing to the centralized



GHASSAN AHMAD,
CEO Kudumba Investments

control centers the company builds and links to each and every scanning machine. The idea of these command centers, a concept unique to Kudumba, is to allow for double-checking of luggage, containers, etc. from an off-site location, thereby practically



Scanners at all points of entry into the country are connected to integrated command centers where another agent makes a blind inspection

eliminating opportunities for bribery, as the second inspector only sees images of the contents and not the carrier. This, in turn, gives the government an upper hand in the fight against smuggling, tax evasion and terrorism.

"At the end of the day we

have not really invented anything. We offer off-the-shelf products," claims the CEO. "What we have actually re-invented is the way that they are linked together. We are the only company in the world to integrate all of this technology together into one

integrated command center."

Kudumba is still in the process of building and implementing the complete network of command centers in Mozambique. However, once it is set in motion the company plans to publicize its activities abroad and expand to other countries and sectors.

"We want to design a system that is fully integrated and secures the perimeter of any industry or refinery," explains Mr. Ahmad.

The safety and security Kudumba provides translates into peace of mind investors for investors who want to come and take part in Mozambique's economy. And, as Kudumba's CEO says, "As a private citizen I feel that Mozambique is a very safe place for an investor. The country is stable and extremely welcoming."

TODAY SECURITY IS MORE IMPORTANT THAN EVER. Kudumba provides security solutions that aid the Mozambican Authorities in the fight against smuggling, tax evasion and terrorism. Our turnkey solutions utilize the very latest security technologies and equipment in the provision of world-class service. We provide the resources and expertise that assist the Mozambican authorities with the interdiction of contraband and illicit goods through the frontiers points, Land, Sea, Rail and Air to the country.

OUR COLOUR IS TRANSPARENCY

w w w . k u d u m b a . c o m

Sasol converts natural gas into national gain

Sasol's positive action is bridging regional energy demand and Mozambique's gas resources

The Sasol Group is an integrated chemicals and energy company with operations spanning 38 countries and employing around 34,000 people around the world. The group converts coal and gas into liquid fuels, fuel components, and chemicals through its proprietary Fischer-Tropsch (FT) processes. Sasol has struck numerous successful international deals in the commercialization of its gas-to-liquids (GTL) and coals-to-liquids (CTL) technology. The company's natural gas project in Mozambique has met with great success, balancing short-term needs with long-term sustainability.

The Mozambique natural gas project is run by Sasol Petroleum International (SPI), a subsidiary of the Sasol Group, which develops and manages the company's upstream activities in oil and gas exploration and production. Since natural gas was discovered in the 60s and 70s of

the last century in Mozambique, the development of this resource has been hampered by the lack of market and deemed "stranded". Across the border, however, South Africa has a huge demand for gas feedstock to supply FT, chemicals, industrial users and others, but no domestic gas to generate. Since early 2000, Sasol spearheaded the Mozambique natural gas project, entering into a joint venture with Empresa Nacional de Hidrocarbonetos (ENH), which is wholly owned by the government of the Republic of Mozambique and the government of the Republic of South Africa.

The project involves the extraction of natural gas from Mozambique's Temane and Pande gas fields, and its transportation across the border to Sasol's flagship facility at Secunda in Mpumalanga Province, and on to end users in South Africa. The deal benefits both

countries, providing a prime example of a successful public-private partnership. Natural gas production started in February 2004, with the first gas arriving at Secunda on Saturday the 21st of February, 2004.

Five components formed the basis of the project: the development and production of the Temane and Pande gas fields; the construction of the central processing facility (CPF) at Temane; the construction of the 865 km (537 mile) gas pipeline; conversion of Sasol's existing petrochemical plants in Sasolburg (from coal to gas feedstock) and supplementing the coal feedstock with gas at Sasol's larger facility in Secunda; and setting up the gas distribution network.

Ebbie Haan, managing director of SPI, describes Mozambique as SPI's gas "heartland" where a portfolio of assets is likely to further evolve over time. SPI

has been awarded additional acreage in Mozambique, both on and offshore, and successfully acquired offshore exploration rights at Sofala, with ENH, and for block M-10, with ENH and Malaysia's Petronas. "We aim to be in Mozambique for the long term, as well as grow production and extend the production life of our existing assets," says Mr. Haan. The aim is also to create an integrated value-chain template in Mozambique that can be replicated in other territories as part of SPI's expansion plan.

In 2009, SPI continued to grow its portfolio, making progress in upstream activities in Asia Pacific and Central Asia. In the same year, the Pande and Ebouri fields came on stream in Mozambique and Gabon respectively and SPI signed a second gas sales agreement for the Mozambican fields. The company matured a significant volume of petroleum resources, resulting in a 167% proved reserves replacement ratio and a 224% proved development reserves replacement ratio (both on a five-year rolling average).

Despite the global economic crisis last year, SPI maintained its total oil and gas production levels, and recorded an operating profit of R1.115 billion (\$159 million), up from R1.004 billion in 2008. The company is also well on track to increasing the capacity of its production facilities from 120 million gigajoules (MJ) to 183 MJ a year, with the aim of supplying gas to various projects in South Africa and Mozambique.

SPI applies world-class standards of environmental protec-

tion, particularly in operations in sensitive marine and jungle environments. In laying the gas pipeline for the Mozambique project, stringent measures were taken to protect flora and fauna, resulting in the pipeline being rerouted on several occasions to avoid uprooting baobab trees. A comprehensive occupational health, safety and environment (HSE) plan was

added to the country's infrastructure, by providing access roads to the pipeline and to the gas fields, potable water, power supply and demining existing roads through the increased exploration activity.

In 2009 alone, Sasol's social development plan invested R22.9 million in community development projects along the pipeline route. Local sponsorships included investments in sports, arts and culture, science and technology, conferences and exhibitions, and environmental projects. Health and welfare projects addressed a wide range of issues, including support for HIV/Aids prevention and care, and initiatives against gender violence.

"All along the pipeline we have engaged with communities to see what we can do to help them. Sometimes it is drilling a well to provide potable water. I always challenge people because when you show a picture of clean drinking water, it is

brushed off as cheap rhetoric. It is easy when you have clean water to belittle that. But when you do not have clean water and you have cholera or typhoid, whoever can provide clean water provides a significant step up. Also, in building schools and providing them with simple resources like paper, you help teach children how to write. This may be small but it is such a significant step up," says Mr. Haan.

The Mozambique natural gas project has been cited by organizations including the World Bank as a benchmark for undertaking new investments in Africa, in terms of social, political, economic and environmental criteria.



Sasol's extensive CSR commitment includes the creation of water, health, and education facilities. In 2009, the company committed \$14.3 million to socioeconomic development projects

developed and implemented, outlining policies, procedures and standards.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

SPI considers its CSR role to be of the utmost importance. From the inception of the Mozambique project the company was determined to ensure that local communities should also benefit. In addition to boosting local employment, the gas project also constituted a substantial ad-



Mozambique Minister of Mineral Resources Esperança Bias and SPI managing director Ebbie Haan visit Mangungumente Primary School, which was sponsored by Sasol in 2004

MAKING **FUEL** OUT OF THIN AIR

Impossible?

The world's oil reserves are on the decline. Which begs the question:
Where will the fuels of the future come from?
The answer is surprisingly simple.

Gas.

For years SASOL has been at the forefront of Gas-to-liquids (GTL) technology, in an attempt to harness the world's vast natural gas resources.

The benefits are numerous.



Fuel from gas will be cleaner, perform **better** and be much kinder to the environment.

As a world leader in both Gas-to-liquids and Coal-to-liquids technologies, SASOL is poised to deliver the next evolution in fuel technology.

www.sasol.com

ideas + molecules = infinite possibilities



sasol
reaching new frontiers

